Daily Report

Latin America

FBIS-LAT-94-112
Friday
10 June 1994

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FBIS-LAT-94-112 *10 June 1994*

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Meeting Proposes 'New Order' for Indigenous Peoples

PY0906234694 La Paz HOY in Spanish 3 Jun 94 p 4

[Text] Cochabamba—The preparatory meeting for the International Decade of the World's Indigenous People, with the participation of delegates from Latin America and the Caribbean, has proposed a program for establishing a new order of relations with indigenous people.

Several proposals were made during the closing ceremony of this important international event, which was attended by Vice President Victor Hugo Cardenas, Foreign Minister Antonio Aranibar, and Nobel Peace Prize winner Rigoberta Menchu.

The three-day event, which ended on the evening of 1 June, proposed that the new order of relations with indigenous communities guarantee the recognition of the indigenous identity and the historical rights of their political, juridical, economic, social, and cultural institutions.

It must also guarantee the total and free participation of the indigenous communities in all aspects of society, and especially in the issues that concern them.

These and other recommendations will be proposed to the United Nations next December in an effort to prepare a declaration of the International Decade of World Indigenous Communities.

Another proposal calls for strict compliance with the necessary measures to intensify the struggle against racism and against the cultural, linguistic, racial, and religious discrimination affecting the indigenous communities.

Also in coordination with the organizations and institutions of the indigenous communities, a decision was made to adopt new necessary measures to guarantee the adequate participation of the indigenous communities in the distribution of the budget of each country, to eradicate poverty and isolation.

Another proposal advocates the implementation of national policies for distribution of land, education, employment, technical assistance, protection of traditional economies, and sustainable ecological development, respecting the tradition of the indigenous communities, in order to improve their standard of living.

The conclusions of the meeting also recommend the protection of the beliefs and rituals of the indigenous communities as an expression of their basic right to their cultural identity and to allow the indigenous communities access to the media to promote their culture and their opinion of society.

The specific resolutions of the indigenous communities of Latin America and the Caribbean will seek free participation in the decisionmaking process for all aspects of society. The Fides news agency listed the following resolutions:

—Make express recognition, through the implementation of constitutional, legislative, and administrative measures, of the responsibility and historical rights of the indigenous communities established within states, as well as of the rights resulting from international treaties and agreements.

—Establish effective equal mechanisms for the negotiation and solution of conflicts that may develop between the indigenous communities and the non-indigenous sector (public or private) of society, including the possible violation of the individual or collective human rights of those communities.

—Establish one day of each year as an official day for public awareness of indigenous dignity, and study the possibility of establishing in penal legislation harsh penalties for those who commit acts harmful to the dignity of indigenous communities.

—Adopt measures to ensure the total eradication of discriminatory policies and practices on labor matters.

OAS Meeting Views Haiti Sanctions, Other Issues

New Sanctions on Haiti Approved

PY1006040094 Sao Paulo GAZETA MERCANTIL in Portuguese 8 Jun 94 p 2

[Article by correspondent Cristina Aby-Azar]

[Excerpts] Belem—Yesterday, the OAS member countries meeting in Belem do Para approved several new sanctions against Haiti, with the purpose of putting overthrown President Jean-Bertrand Aristide back in power. Suspending commercial flights to Haiti and freezing the bank accounts held abroad by the members of the coupist Haitian government are included among the sanctions. [passage omitted]

The following are the main points agreed upon at the OAS General Assembly:

- To condemn the interruption of the Haitian democratic system and not to recognize any authority that has come to power as a result of actions carried out by the regime currently in power, including the illegal appointment of a provisional president on 11 May.
- To reiterate the need for the UN and OAS member countries to support and strengthen the embargo measures, such as the suspension of commercial flights to Haiti and the freezing of the assets maintained abroad by the regime and its members.
- To exhort the member countries and the international community to help face the problem of the Haitian people who abandon their country with great risk to their lives; and to help these immigrants and offer them temporary protection.
- To condemn the persistent maneuvers by the coupist officials and their political and financial allies to intimidate and gain time.
- To condemn persecution and repression in Haiti and the retaliations against those who favor the reinstatement of democracy in the country, in addition to condemning obstacles to freedom of assembly and expression.
- To increase the number of observer members of the civilian UN and OAS mission so as to cover the whole of Haitian territory.
- To recognize the support shown by countries which used to maintain economic and trade relations with Haiti, but which suspended them to implement the OAS resolutions.

Next OAS General Assembly To Be in Haiti

PY0906231394 Brasilia Voz do Brasil Network in Portuguese 2200 GMT 9 Jun 94

[Report by Antonia Marcia Vale from Belem, Para State]

[Text] The OAS will hold its next general assembly in Port-au-Prince, the capital city of Haiti. The decision was made today at a plenary session of the OAS General Assembly in Belem by all of the 34 OAS member countries.

Haiti has been ruled by a military dictatorship since 1991, when Army coupists ousted the first elected president since the downfall of a previous dictatorship that had lasted approximately 50 years.

OAS Secretary General Joao Baena Soares has described the OAS General Assembly's decision as unequivocal proof of a clear political will to resolve the Haitian crisis. In his opinion, the holding of the general assembly in Haiti will be instrumental in confirming the restoration of democracy in that country.

Baena Soares Lauds 'Positive' Results

PY1006021594 Sao Paulo AGENCIA ESTADO in Portuguese 2133 GMT 9 Jun 94

[Report by correspondent Jose Carlos Santana]

[Excerpts] Belem, 9 Jun (AE)—The 24th OAS General Assembly will close here on 10 June. The 34 OAS member states have described its results as positive and quite significant, especially in the area of human rights. OAS Secretary General Joao Baena Soares characterized the approval of an inter-American convention to prevent, punish, and eradicate the use of violence against women—which was already signed by five countries, Brazil included—and of an inter-American convention on the forcible disappearance of people, namely political activists, as "extremely significant for the future of the continent." [passage omitted]

In addition to the above two conventions, Baena Soares also mentioned the adoption of a resolution proposing greater cooperation for hemispheric security and limiting the proliferation of instruments of war, a proposal to create an inter-American defense board, and another proposal containing measures to improve the inter-American program to preserve the environment.

Baena Soares said: "I could not have asked for better and more significant results at the Belem meeting." He added: "The decisions made here are proof that the OAS is increasingly becoming a forum in which all countries in the hemisphere can discuss political and economic issues and other types of issues as well."

Amorim on Plans for Americas Summit

PY1006030394 Madrid EFE in Spanish 2222 GMT 9 Jun 94

[Text] Belem do Para, 9 Jun (EFE)—Brazilian Foreign Minister Celso Amorim today revealed that one of the proposals Brazil has made for the so-called Summit of the Americas is the creation of a special fund to finance integration processes in the continent.

Brazil believes that one way to prevent the presidential summit organized by U.S. President Bill Clinton from

ending in another declaration of principles would be to propose concrete projects for action and promotion of hemispheric integration, Amorim said.

One of the projects, Amorim said, could be the creation of a specific fund within the Inter-American Development Bank (IDB) to help finance economic integration processes in the continent.

"Integration processes are essential for our country, and it is important to have the resources with which to carry them out," Amorim said during a news conference he gave on the occasion of the 24th OAS General Assembly, which has been taking place since 6 June in Belem do Para, northern Brazil.

According to Amorim, who mentioned this proposal to Strobe Talbott, U.S. under secretary of state, during a meeting they held on 6 June, the IDB was created precisely as an instrument of support for Latin American integration.

The resources from this fund could help the integration processes that have been developing in the past few years, such as the Common Market of the South (Mercosur), the Andean Pact, the Group of Three, and the Amazon Integration Treaty, among others.

Another proposal that will be made by Brazil for the Summit of the Americas, which will be held from 9 to 10 December in Miami, Florida, is to create mechanisms for financial and technical cooperation in the field of human rights defense.

Human rights conditions could improve with financial and technical cooperation agreements to improve the living conditions of prison inmates and strengthen the judicial system, Celso Amorim said.

Uruguay's Abreu on Chile's Mercosur Entry

PY0906151494 Madrid EFE in Spanish 2021 GMT 8 Jun 94

[Text] Montevideo, 8 Jun (EFE)—Today, Uruguayan Foreign Minister Sergio Abreu said the Chilean proposal to establish, along with the Common Market of the South (Mercosur), a free trade zone "needs to ripen." The minister said he hopes this proposal "will not harm the trade benefits established for the signatory countries of the Asuncion Treaty," which in March 1991 gave rise to Mercosur—comprising Argentina, Brazil, Paraguay, and Uruguay.

While in Belem do Para (Brazil), where he is participating in the OAS General Assembly, Abreu told the Montevideo newspaper EL OBSERVADOR ECONOMICO that the Chilean proposal to join Mercosur within a free trade zone has in principle been well received by the Uruguayan Government.

Chilean Foreign Minister Carlos Figueroa announced on 6 June in Belem do Para that, within 10 years, his country will establish a free trade zone with Mercosur. Today, he formalized the proposal in a document he presented in Buenos Aires to Argentine Foreign Minister Guido Di Tella, the current Mercosur council president.

Abreu stressed: "The Chilean proposal needs to ripen because it only expresses a political will. A concrete proposal is required on the deadlines and the scope of the association sought by the government of President Eduardo Frei."

The Chilean announcement was well received from a political viewpoint because it is a step forward in the regional economic integration. It is necessary to hear the proposal's technical aspects before giving an official response.

Abreu admitted that any proposed "violation" of the common external tariff system, which the four Mercosur partners will strenuously attempt to establish next month, would be unacceptable. He added that the Uruguayan viewpoint is shared by Brazilian Foreign Minister Celso Amorim.

Uruguay considers unacceptable any trade agreement which enables another country to have privileged access to the seizable Argentine and Brazilian markets without paying the same common external tariff that must be borne by the two other Mercosur members.

Cuba

Asylum Seekers Ask Foreign Media for Help

PA0906230494 Madrid EFE in Spanish 2154 GMT 9 Jun 94

[Text] Havana, 9 Jun (EFE)—Today, some of the people who remain inside the Belgian Embassy in Cuba appeared at the portion of the fence most visible from the street to ask the international media for help and to insist, once again, that they are prepared to die.

The group of approximately ten people displayed three posters in English. The posters read: "We need your help to be free," "Freedom or die," and "We want to talk to the international press."

Newsmen, photographers, and television cameramen who are on permanent watch on the other side of the street caught sight of a man with an infant in his arms, a man giving the victory sign, and a third man making gestures about taking his own life.

One week ago, the refugees who on 28 May stormed into the residence of the Belgian ambassador smuggled out a communique rejecting any kind of dialogue with authorities and cautioning that they are prepared to do anything, "including die."

Both Cuban and Belgian officials agree that the 118 refugees must leave the building peacefully and must go through normal departure procedures, but they noted that the solution to the conflict will be difficult because of staunch resistance by the occupants.

Official Cuban sources have reiterated that the island's authorities have given written guarantees that the refugees will not be penalized for the crime of illegally breaking into a diplomatic mission.

Case 'Deadlocked'

BR0906131094 Groot-Bijgaarden DE STANDAARD in Dutch 9 Jun 94 p 5

[Article by Francis Van den Berghe: "Belgium Trying To Talk Asylum Seekers Into Leaving Embassy"]

[Excerpts] The occupation of the Belgian Embassy in Havana by more than 100 Cuban asylum seekers, was still deadlocked on Wednesday [8 June]. The main obstacle was the asylum seekers' persistent refusal to leave the building. The Belgian authorities continued to try to convince them to do so. According to Havana, the Belgian authorities submitted a list with 121 names to the Cuban authorities. On Wednesday, a Brussels communique stated that there were 124 Cubans in the embassy.

The Cuban Foreign Ministry announced it would not resort to violence to chase the intruders from the Belgian ambassador's residence. "It is up to Belgium to take action," the Cuban Embassy spokesman in Brussels stated. Brussels and Havana fully agree on the position to be taken. "Belgium should try and talk the intruders into leaving," spokesmen said.

Brussels sent Willy Verriest, former Belgian ambassador in Havana, as a special envoy to Cuba. According to the Belgian Foreign Ministry, this is necessary because of the problems the Belgian Embassy is experiencing with simultaneously negotiating with the Cuban authorities, convincing the intruders, and finding food for 124 people. [passage omitted]

Both countries agree that all legal procedures for traveling abroad should be respected. Since Cuba has promised not to prosecute the intruders for unlawful entry, Belgium is trying to make them leave. [passage omitted]

During the present incident, Belgium has not issued any statements about human rights. Shortly after the embassy takeover, Foreign Minister Claes said that "the intruders should not have any false illusions." [passage omitted]

Commentary Blames U.S. Policy for 'Violent Incidents'

PA1006023794 Havana Radio Havana Cuba in Spanish 0000 GMT 10 Jun 94

[Commentary by Roberto Morejon from the "Evening Information Review" newscast]

[Text] The violent incidents that have taken place in recent days because of illegal departures from the country highlight the harmful effects of the immigration policy of the United States, a place where certain Cubans would like to go, whether temporarily or permanently, but they are prevented from traveling there because of obstacles erected by Washington.

The Cuban Foreign Ministry has explained the reasons for tightening security measures around some embassies in Havana following the forceful entry by 121 Cubans into the Belgian ambassador's residence, from where they are demanding to be permitted to leave the country.

The Foreign Ministry has also reported that two Canadian citizens were arrested because of their participation in an illegal departure attempt that resulted in the death of two people.

Saturday [4 June], a group of Cubans seized a sand barge in the port of Mariel. This action resulted in an incident in which a National Border Guard boat pursued the vessel until it reached international waters.

At the end of May, a Cuban couple died after being swindled by a person who convinced them that he could guide them through the mine fields around Guantanamo Naval Base, where they were attempting to go in a bid to reach the United States. Both within and outside of Cuba, there are those who encourage illegal departures of people who do not believe they can travel to the United States legally.

In 1993, only some 1,600 Cubans received visas to travel to the United States directly, despite a bilateral agreement that permits the granting of 20,000 visas annually. More than 60 percent of the visa requests from people under the age of 40 are rejected each year by the U.S. Interests Section in Havana. Coincidentally, most of the people who cross the Straits of Florida in fragile boats are young people between the ages of 20 and 30.

It should not be overlooked that some Cubans are attracted to the United States because of the possibility of improving their economic situation. They try to get there by any means, leaving behind undeniable limitations in Cuba.

As a result of the Readjustments Act, any Cuban, regardless of his reasons for or mode of arriving in the United States, can receive refugee status in that country. All these people have to do is reach U.S. territory and stay there for one year.

As long as the United States grants these privileges and prevents those Cubans who adhere to legitimate procedures from traveling to the United States for economic reasons or to visit their relatives, drastic actions that almost always end tragically will be possible.

U.S. Media's 'Funereal Silence' on Summit Noted

FL0906180994 Havana Radio Rebelde Network in Spanish 2300 GMT 8 Jun 94

[Commentary by Pedro Pradas from the "Exclusive" program]

[Text] In the past few weeks, there have been changes to the script, aggressive changes that reflect a typically cunning nature. The Miami press, with the backing of important international news agencies, report an insuperable Cuban political crisis. What a simple [ingenua] coincidence to invent such a scandal just days before the fourth Ibero-American summit; reports of illegal departures and naval piracy all aimed at mocking the Cuban-U.S. international immigration laws.

Undoubtedly, these are excellent arguments that groups of anti-Cubans living abroad and on the extreme right will use to unleash a campaign of orgiastic accusations against Cuba, its people's revolution and its leader, and to create a parallel show to [word indistinct] the Cuban people from the impact of the agreements, dialogues, and integration that will take place among the region's presidents.

I will not mince words: No economic crisis can be sorted out without creating political and social problems, but the difference between the truth and their statement of an insuperable Cuban political crisis is so great that only the most supine, ill-intentioned ignorance, together with a desire to molest, could repeat such information, as some news agencies have.

Furthermore, even a dimwit can clearly see that, one way or another, these agencies have received instructions, especially the Spanish-speaking television stations, to ignore everything, or almost everything, about the Cartagena de Indias summit. To do this, they report—as one of those stations did last night—that Colombia is only interested in its soccer team's performance in the World Cup and in the Cauca tragedy.

In the same way, there's an almost funereal silence about the OAS Assembly in Brazil, where Cuba's reintegration into the hemispheric organization has been strongly supported by many. It is the same silence that surrounds the activities that dozens of Cuban and U.S. organizations have been carrying out to participate in a demonstration against the blockade on Cuba.

The obvious needs no refutation, but consumers should at least receive a modest explanation that saves them from being clients of such a deplorable enterprise. Perhaps it would be proper to warn them using Jose Marti's words: In politics, the most important thing is what is not seen.

Ibero-American Justice Ministers Meeting Begins

FL1006021394 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0000 GMT 10 Jun 94

[Passages within quotation marks recorded; from the NTV newscast]

[Text] With five days to go until the beginning of the Fourth Ibero-American Summit, Cartagena de Indias is the stage of intense preparation work.

The Ibero-American Justice Ministers Meeting in Cartagena is analyzing judicial cooperation, measures to fight organized crime, and family welfare. The goal is to put law and justice to the service of integration through cooperation accords.

[Andres Martinez, Colombian minister of justice; identified by caption] "Integration can be devoid of content if it is not accompanied by precise judicial norms. Normative dispersion can become an acute obstacle for progress in the field of integration."

Regarding this meeting, Cuban Justice Minister Carlos Amat pointed out Cuba's potential contribution to the meeting.

[Amat] "We have brought the example of our organization regarding subjects that I believe are extremely important: the family; the problem of abandoned children; the problem of adoption. These issues are included in the summit. We have significant experience in these fields."

Amat also spoke about the interest that these issues might spark among participants in the Fourth Ibero-American Summit.

[Amat] "The repercussions these might have lie basically in acceptance by the states involved in the results of this work, the search for a common denominator in the legal and legislative character to make law the guiding force in relations among countries, and of course, to seek by this path a strengthening of ties and greater integration, which is the end goal."

Cuban Ambassador Jesus Martinez described the relations between the two nations as satisfactory. He made these statements during a solidarity meeting with Cuba held in Barranquilla and attended by representatives of unions and the Colombian Workers Federation.

[Martinez] "The Colombian Government has taken the step of reestablishing ties with Cuba. It seems to us that it is only fair that we see this step as positive."

Cuba and Colombia reestablished diplomatic and commercial ties in October 1990, and between January and April 1994, Cuban imports topped the list of Colombia's imports. These exports have grown 16-fold in this quarter and totalled $21 million. Colombia imports Cuban steel, salt, generic medicine, vaccine, and biotechnology products.

Regarding negotiations for Colombian oil, Ambassador Martinez explained:

[Martinez] "The procedure is established. There is political will, but as of now, there is no accord to conduct this type of project. We do think that either now or later, by direct purchase or through oil refining, we have the technical conditions and possibilities to develop this type of relation."

During the meeting, the Colombian union leaders expressed interest in the Cuban reality and their support for Cuba.

[Unidentified speaker] "Viva socialist Cuba! [Crowd: Viva!] Viva socialist Cuba! [repeats] [Crowd: Viva!] Down with the economic blockade of Cuba! [Crowd: Down with it!] Viva the unity of the Colombian people! [Crowd: Viva!] Viva the unity of the Cuban people! [Crowd: Viva!] Viva the solidarity of the Cuban and Colombian peoples! [Crowd: Viva!] Fighting united! [Crowd: We will win!] Fighting united! [Crowd: We will win!] [repeats].

Fidel Castro Meets With CPC Delegation

FL1006012294 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0000 GMT 10 Jun 94

[From the NTV newscast]

[Text] Commander in Chief Fidel Castro Ruz, first secretary of the Communist Party of Cuba [PCC], met with the CPC delegation headed by Politburo member Wu Banggou. During the meeting, the Cuban president recalled the visit by Chinese President Jiang Zemin to Cuba in 1993.

On 9 June, Politburo member Carlos Lage accompanied the CPC delegation of a tour of the Expocuba facilities on the outskirts of Havana. The Chinese delegation was greeted in Expocuba's main hall by a group of children who performed traditional Cuban dances and who invited several members of the Chinese delegation to join them. Wu Banggou expressed interest in the exhibits in the various pavilions showcasing Cuba's accomplishments in numerous sectors such as the economy, science, education, and others.

The high-level CPC delegation met with PCC and government leaders and has visited sites of economic and historic interest. On 10 June, the delegation will travel beyond Havana to see the economic development plans of several Cuban provinces firsthand.

CPC Delegation Visits Biology, Genetic Center

FL0906154294 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0000 GMT 9 Jun 94

[Report by correspondent Marta Sosa from the NTV newscast]

[Text] The CPC delegation led by Politburo member Wu Bangguo visited the Genetic Engineering and Biotechnology Institute today. The delegation was thoroughly briefed on the scientific center—established in 1986—and on the institution's research, production, and marketing goals.

The Chinese guests have met Cuban Party and Government leaders. Jose Ramon Balaguer, secretary for ideology in the Communist Party of Cuba's [PCC] Central Committee, met the delegates on the first day of their tour. They met Foreign Trade Minister Ricardo Cabrizas; Transportation Minister Senen Casas; and Jose Luis Rodriguez, minister president of the State Committee for Finance, on 7 June. The Chinese delegation is here at the PCC's invitation and will remain in our homeland until 12 June.

Visits Havana Hospital

FL0906225294 Havana Radio Reloj Network in Spanish 1939 GMT 9 Jun 94

[Text] On 9 June, the CPC delegation headed by Politburo member Wu Bangguo, secretary of the CPC in Shanghai, visited the Hermanos Ameijeiras Clinical Surgical Hospital in Havana. Public Health Minister Dr. Julio Teja and hospital director Dr. Raul Cabrera briefed the visitors on all aspects of the Cuban medical system.

Previously, the CPC delegation had seen a video covering the work done at the hospital. The hospital has 52 consulting rooms for diverse medical specialities to care for the population, mainly from Centro Habana and Habana Vieja. Later on, the CPC delegation visited various areas of the hospital and expressed interest in other aspects of Cuban medicine.

Donations From Galician Organizations Arrive

FL0906223894 Havana Radio Reloj Network in Spanish 1955 GMT 9 Jun 94

[Text] Food staples, medicine, school supplies, and medical equipment donated to Cuba by various Galician friendship organizations arrived on 9 June at the Port of Havana from Vigo, Spain. The 37-ton shipment was brought to Cuba by the Rio Jibacoa, a fishing vessel 106 meters in overall length, and with 3,200-ton displacement.

Jose Ramon Fernandez, vice president of the Council of Ministers, was in attendance to receive the donation sent by the associations' Francisco Villamil, Carballino, Bartolome de las Casas, Gomez de Millan, the Galician autonomous government, and the Red Cross. Tomas Gonzalez Ramirez, captain of the Rio Jibacoa, explained that besides the Galician donation, the vessel also carried another donation consisting of 23 packages, mainly medicine, from the Spanish port of Alicante.

OSPAAAL Secretary Meets Mozambican Official

FL0906154194 Havana Radio Rebelde Network in Spanish 2300 GMT 8 Jun 94

[From the "Exclusive" program]

[Text] Mozambican National Assembly President Marcelino Dos Santos has met Ramiro Remigio Ruiz Vergara, interim secretary of the Afro-Asian-Latin American People's Solidarity Organization [OSPAAAL], at the offices of that intercontinental solidarity organization in Havana City. The meeting was held in a warm and fraternal atmosphere, during which they exchanged ideas and information on OSPAAAL's current tasks and missions and on the situation in Africa.

Raul Castro Visits Central Army Tank Unit

FL0906155494 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0000 GMT 9 Jun 94

[Report by correspondents Mario Rivera and Marta Moreno from the NTV newscast]

[Text] Army General Raul Castro visited Tank Unit 1410 in Matanzas Province during his tour of Central Army facilities. The unit's troops worked hard to build defensive tunnels and to fortify positions for correctly conserving all weaponry and protecting soldiers and the population.

The second secretary of the Communist Party of Cuba assessed the importance of these facilities in protecting weaponry and soldiers in case of enemy air raids. Raul Castro's words are known: We may not be the Armed Forces with the most available resources, but we can say that we are the best protected Armed Forces on the continent; therefore, they are the most enthusiastic and are capable of coming from beneath the Earth's surface after a surprise, large- scale air raid and making the enemy pay dearly for trying to land on our island.

Unit Chief Colonel Lazaro Lopez said the troops are prepared for combat readiness through various exercises and the use of schoolrooms, maquettes, and trainers, as well as through gunnery practice and the use of shooting ranges. This results in a considerable savings of human and material resources, including fuel.

The young men in the unit excel in various patriotic and social activities: minimizing misdemeanors and eliminating the need for discipline violations, strengthening personnel support to their leaders, and proving to be active participants in essential tasks.

Agrarian development represents another important task for this tank unit, in its zeal to achieve self-sufficiency. They currently have two basic production units, a pig farm, a poultry farm and its slaughterhouse, a cattle farm, and a fodder factory. A total of 20 tanks are being built to breed fish. Out of 160 medical products that can be manufactured with herbs, the unit has managed to manufacture 125 products in a small laboratory, thus fulfilling basic needs at the unit's hospital. In addition to their work, these fighters have had time to support vital economic tasks, including the potato harvest, the sugarcane recovery, and the cleaning of Varadero beach. They are also in charge of the military community and its elementary school and excel in valuable blood donations.

Havana Official Eyes Water Supply Problems

FL0906171794 Havana Radio Rebelde Network in Spanish 2300 GMT 8 Jun 94

[Interview with Lourdes Mijan, director of the Havana City Province waterworks directorate, by correspondents Heidi Gonzalez Cabrera and Cesar Arredondo in Havana; from the "Exclusive" program—live]

[Text] [Gonzalez] An important meeting just ended at the offices of the provincial waterworks directorate. The meeting was chaired by Director Lourdes Mijan and included many municipal representatives. One of the topics, among others of great interest, was preparations for the tariff and metering system that will go into effect on 1 October. I was hoping you could tell us more about this.

[Mijan] We are currently preparing for the preparatory work needed before 1 October, when we are supposed to start charging for water with the tariffed service. The metering system will remain in effect in Havana—that is, those who have meters will be charged according to the meter. We will incorporate those who have broken meters or those who do not have metered service into a fixed rate system.

People with metered service have the advantage that if they conserve water, they may not have to pay anything because the limit is 100 liters per person per day—that

is, those who have working meters will only have to pay for sewage service, which is 30 cents per person in cases where they are connected to the sewage service. In case they do not have this service, then they will only be charged for metered water consumption when it exceeds 100 liters. As for the rest of the population, they will be charged a fixed rate at one peso per person plus 30 cents for sewage where they are receiving that service.

[Gonzalez] I do not have time to cover everything our listeners would like to know, but I think it would be important if you spoke about those zones that are traditionally without water, such as some areas of Habana Vieja, Centro Habana...

[Arredondo, interrupting] We can continue this topic tomorrow if you feel it is necessary. It is fine if you can finish today, but we can extend the report until tomorrow if you need more time.

[Gonzalez] It would be a pleasure, but that is something that Lourdes must decide. We will talk about this at the end. Many people are waiting for this information. What more can you tell us?

[Mijan] We are currently having difficulties with the water service, difficulties caused by this situation because of the period of the year. We are just entering spring.

Rainfall in Havana City was very bad last year. We only had 79 percent of our standard average rainfall. We are entering spring, when there are always many difficulties with the water supplies.

[Gonzalez] Excuse me, but there is some confusion among the population. They believe that when it rains, there should not be a water shortage.

[Mijan] The problem is that the water supplies do not recover that fast. It will take one month before we feel the effects of the spring rains and our water supplies will recover.

Right now, we are having the greatest difficulties in Centro Habana and Habana Vieja because we have a deficit of 90,456 cubic meters per day for the area of Centro Habana compared to last year's figures. This great deficit is also caused by other water sources that supply water to the capital, which at the moment have low water levels.

We have made adjustments to the water supply operations in the municipalities that have the greatest water supply problems. We have begun working on a schedule in some places—such as Vedado, Plaza de la Revolucion, and Diez de Octubre—in an attempt to conserve water for the two municipalities with the greatest problems. As far as this goes, we believe our sources should recover in the next 15 to 20 days and that the situation will be, more or less, normal.

[Gonzalez] I have been following the meeting that just ended. We know of the efforts, the achievements, and the solutions that are about to be implemented. Can you be with us tomorrow?

[Mijan] I will have to make an extra effort because I had other things planned for tomorrow. Nevertheless, I will try to be here tomorrow to give you more information on the metered service and the water supply.

[Gonzalez] Friends, that is all for today. We will continue tomorrow.

Water Supply Stabilizes

FL0906225394 Havana Radio Reloj Network in Spanish 1934 GMT 9 Jun 94

[Text] The administrative council in Havana Province has announced that the water supply has been stabilized in the municipalities and that 96 percent of the population is receiving this service. Havana Province, second only to Havana City Province, has a network of 470 aqueducts.

The largest water supply problem is in Madruga Municipality and conditions are slated to improve in Santa Cruz del Norte Municipality. Despite increased efforts over the last year, and the help which the agriculture sector has provided to the schools, the main problems are found in boarding schools, where 54 pumps are in bad shape, with 29 of them no longer functioning at all. In order to alleviate this problem, Havana's school board established a program keyed towards installing water systems in those schools.

Self-Employed Craftsmen Must Reregister in June

FL1006004794 Havana Radio Rebelde Network in Spanish 0900 GMT 9 Jun 94

[From the "Doing Radio" program]

[Text] Approximately 10,000 craftsmen registered as self-employed workers in Havana will be reregistered this month by the municipal labor committees and will be assigned new categories, according to their work. Manuel Fernandez, provincial labor and social security director, stated that the labor committees and local industries are visiting every worker included in this category to determine the veracity of their employment and to assign the new categories.

The regulation requires that in order to be certified as self-employed, the worker has to personally make the products, without using middlemen and without employing salaried workers. From now on, only those people who manually and singlehandedly make items will be registered as craftsmen. These workers will be required to acquire their raw materials and market their products through the municipal enterprises of the local industries sector.

The decision of the Havana's Administrative Council established a monthly license fee of 100 pesos, but no registration fee will be required.

Editorial Addresses Economic Measures

FL0806154294 Havana TRABAJADORES in Spanish 9 May 94 p 12

[Editorial: "Let Us Act Now as Committed Protagonists of the Accorded Policy"]

[Text] The accord reached at the recent special session of our National Assembly contains the fitting policy which we have chosen to mend the domestic finances and eliminate currency excesses, which today, as we all know, is the obstacle we have to overcome to reorganize and foster our economic development.

This policy, which ought to help to put behind us the current crisis and move ahead, took shape mainly thanks to the debates of the Parliaments in the Workplace.

Therefore, Cuban workers have been the main protagonists of this accord. The accord contains the essence of the main proposals, concerns, and points of view expressed in those broad and democratic debates. The ultimate goal of this policy is to defend the interests of the workers and the workers' revolutionary government and their accomplishments in every field.

This is why it is the duty of the Cuban workers, particularly our working class, now to play an unparalleled leading role in implementing this policy.

This is the beginning, as Comrade Fidel pointed out so well, of the most difficult part of this effort. It will require the understanding and support of all the people, timely information, and much discipline and determination. It will also require rigorous order in implementing the measures and the necessary time so that the government and the entities of the state involved can make decisions and organize its implementation. This is not a one-day thing but a long process linked to other economic, organizational, labor, and salary steps. It relies on every workplace's resolute commitment to work harder and more efficiently.

The significant step that has been taken encourages all of us. It is important, however, not to harbor false hopes. While consistent implementation of the accorded policy will help reactivate the economy in the medium and long term, it does not mean that the country will have more resources, food, medicine, raw materials, fuel, electricity, or transportation available in the short term.

We must keep in mind that we are beginning a program to mend domestic finances, the results of which, as has been said, will not be felt in the short term nor right away.

It is important to note that we will be implementing this as the U.S. Government continues to impose its cruel and ironclad blockade on us. The blockade has already cost over $41 billion. Figures indicate that the blockade, last year alone, deprived us of 40 percent of the hard currency we could have accrued with the existing level of production and exports.

We will implement this policy and the unavoidable groundwork to attain our remaining goals in the midst of the harsh conditions which our country faces following the abrupt loss of the market and favorable prices secured from the former USSR and the countries of the European socialist bloc for Cuban sugar, nickel, citrus crops, and other products. It is a known fact that that brutal blow diminished our import capacity from $8.2 billion in 1989 to less than $2 billion in 1993.

In other words, we must solve the excess currency problems within Cuba's current conditions with barely 23 percent of the resources that were available four years ago, without foreign credits for development, and upholding the principles of human solidarity and justice which have guided our steps at this difficult junction of the special period. None of these realities will be immediately changed by the steps we are taking and will take.

Of course, by revaluing salaries and gradually recovering the Cuban peso's purchasing power, the current policy will serve to encourage work, labor discipline, and productive efficiency. Its most immediate effect, however, will be on the currency in circulation and not production. This will not result in resources being more available in the short term.

We must also be aware that we will be heading toward a period in which this policy will cause more sacrifices in the family's economy, meaning more expenses and cash payments, without the simultaneous possibility of restoring the levels of material consumption, electricity, and transportation needed.

Once again, the virtue of implementing this accord does not lie in freeing us of those inevitable sacrifices but in laying the groundwork to make the sacrifices more effective and to yield what we want.

Take the case of energy: The country needs to spend at least $800 million a year to provide the nearly 6 million tons of fuel that we use today, less than half of what we had available four years ago. This means that we invest nearly half of all the hard currency in energy reources. If we consider the fact that the country needs to allocate at least another $500 million to import food and considerable—though insufficient—amounts for medicine, raw materials, materials, and key equipment, like spare parts and components to maintain the thermoelectric plants and the distribution network, we can clearly see that it is impossible to think of having more electricity or more transportation services today.

Our sugar fields would need at least $54 million in fertilizer this year to be able to increase the yield and to accelerate the sugar industry's recovery. Yet, the country will only be able to allocate 24 percent of the resources to this end, which will be allocated following a very strict

criteria of efficiency. Producing vegetables, tubers, and cattle requires a minimum of $136 million in fertilizer, pesticides, seeds, and other basic products. These are only a few basic examples. Similar difficulties and shortages of resources prevail in all other economic sectors.

It is essential for the workers to be well informed and aware of the nature of the problems we face so that they can avoid false expectations and can firmly support the idea that only with more work and efficiency—with an increase in tireless efforts to realize the production potential in every factory, workshop, or farm—can we ease the harsh consequences of the special period.

The assemblies for efficiency that we have started as a means to give continuity to the spirit and method of the workers' parliament need to be an efficient tool to keep progressing in that direction.

The goal is to fully utilize a new method that will strengthen the unity of the workers, the administration, and union and political leaders in the search for the most adequate ways to: reduce subsidies and costs; employ the labor force rationally; guarantee strict control of material and financial resources; take care of the food and service needs of the workplace; increase discipline; and demand efficiency in all productive, teaching, scientific, and service endeavors.

These assemblies are committed to offering substantial economic contributions in a systematic and stable way, thus contributing decisively to revaluing the salary and our national currency.

The fact that our National Assembly has pointed to the importance of those assemblies in its historic accord and has advised the representatives, provincial and municipal delegates, and the popular councils to get closely involved with them is more than an acknowledgement. It is a reason for commitment that should motivate us to ensure that these assemblies are conducted with the highest quality.

In the same sense, we could say something similar of the guidelines issued by the government's leadership to the ministers and leaders of the organizations of the state central administration and to the presidents of the provincial administrative councils.

Our government, on behalf of all the people, now has the complex and sensitive mission of steering and executing the program of measures that it deems appropriate. With the intelligence, perseverance, serenity, and courage that characterizes our political and administrative leadership, everything necessary will be done to solve the problems without falling short and to guarantee the Revolution's strategic course.

This does not mean in any way that the role of the workers and their unions will diminish. On the contrary, the mobilization, support, creative initiative, and political strength of the working class and the people will be more important and decisive than ever.

This is the Revolution of the workers, as Fidel has reiterated, and we have gathered here to adopt those measures that will help save the Revolution of the workers.

Let us work so that these assemblies prove to be useful opportunities to evaluate how our daily efforts toward efficiency are progressing, to discuss new proposals that we can put into practice, to clear misunderstandings and doubts among the workers, and to exercise, after all, our indeclinable prerogatives as the owners of the means of production.

Let us turn this first assembly for efficiency into a forum where we clearly express the workers' and the Cuban union movement's support for the policies that, in an exemplary, democratic, and participative way, we just drafted and, in a very special way, for the measures issued by our Council of State toward expropriating the ill-gotten goods hoarded by the speculators and thieves who in a despicable way work to build fortunes from the shortages and sufferings of the people.

All the patriotism, all the capacity for struggle, all the spirit of combat of the workers: To support as a single man our government, the Revolution, and Fidel in the heroic effort to overcome the present difficulties and move ahead with the honorable flags of the free, nonrelinquishable, just, and socialist fatherland.

[The following notice accompanies this editorial: "The text of this editorial will be read at the beginning of the Assemblies for Economic Efficiency, which will be held in every workplace nationwide beginning 16 May."]

Economic Measures Justified

FL0806215594 Havana Radio Rebelde Network in Spanish 1600 GMT 7 Jun 94

["Straight Talk" program hosted by Osvaldo Rodriguez of BOHEMIA magazine and Luis Sexto of BOHEMIA magazine; date not given—live or recorded]

[Text] [Rodriguez] Good afternoon, friends. This is Straight Talk here on Radio Rebelde. If the economic measures are good, why do they affect me? Luis Sexto and yours truly, Osvaldo Rodriguez, both of BOHEMIA magazine, will talk straight here about this topic. Luis, I think many good people are asking this question. They have yet to understand why they must be affected during this phase. In fact, many people are talking about this and are even feeling some rejection of the measures. They ask: Why? Why do I have to continue sacrificing?

I recently spoke with a young woman with a 19-year-old son. She faces a very difficult economic situation because they live on her salary and the meager salary her son recently began to earn. She has to face a black market that, as we all know, swindles people; and now she faces these measures. She exclaimed: I see no way out of this situation! I see no solution! I do not think the measures will solve my problem! I think that, inspired by the

young woman's example, we should answer those who think like this, who believe the measures affect them without necessarily presenting a solution to their problem.

[Sexto] I think the situation is similar to that of a critically ill patient who asks his doctor: Doctor, if you are trying to save me, why are you making me go hungry? In this hypothetical case, I imagine the doctor would answer: Precisely to save your life. In other words, I believe the measures to restore the internal financial situation became effective on 1 June as part of a series of measures that I imagine will also be implemented in the near future within our economy. They are intended precisely to save the citizen's life, figuratively speaking.

I believe that in almost all cases, saving a life involves a heroic action, or a painful action, or a daring action. I do not believe a life can be saved with a smile on your face or a sweep of the hand. Like I said, the action per se implies heroism, daring, and pain. Continuing the metaphor, we might add that these measures strive to save our economy from excessive liquidity, which as everyone knows, hampers productivity and discourages work. It even boosts prices in the so-called underground economy. We will talk about that later.

[Rodriguez] I think this is important to discuss because the young woman I mentioned complained precisely about this. She said: The measure only worsens things. On the one hand, the state charges more; and, on the other hand, the speculators raised their prices as soon as the measures were announced. While she was debating this with me, I realized that her desperation did not let her understand everything I tried to explain. That is why I believe this analysis—this is a message to our listeners today—must be made calmly, without anger, without thinking about negative things.

Think positively, as the saying goes. You must think positively because the financial measures may be something new for us, but they have been enforced all over the world. The problem is that other types of financial measures have also been enforced throughout the world. They provoke large-scale unemployment and privatizations—that is the new liberal trend—but they always yield results when it comes to truly reducing the balance of internal finances.

[Sexto] We have said this on previous occasions. Given the current situation in Cuba, there is no option but to implement this type of measures. They may resemble measures that were implemented, or are being implemented, in other countries. We said a few weeks ago that the measures strive to reduce citizens' purchasing power. In other words, when there is an excessive amount of money circulating because of scant mercantile availability, the citizens, the workers accumulate large sums of money. It is a salary that practically cannot be spent in the official market, and is therefore accumulated—or else circulates in the so-called underground economy. It is the same thing. In other words, the worker can give his money to the speculator, to the black market vendor, but the money never reaches the bank; the money never again reaches the state vaults. It remains in circulation and negatively affects the economy. Osvaldo, please allow me to continue for a moment. I think this must be considered unavoidable. We cannot believe there is any alternative under these circumstances. We must understand this. I think that when we realize these are bitter dregs that must be drunk to attain curative, therapeutic results from the economic viewpoint, then we will begin to understand the measures.

Suppose the Cuban Revolution does not implement these measures; suppose another regime comes to rule the country tomorrow; suppose it is another person with other ideas, another social organization, another economic organization, they would solve the situation the same way. I want our listeners to realize this. There would be no other alternative but to implement these measures. There would be a difference, however between what the Cuban Revolution, what the revolutionary government does today and what—hypothetically speaking—another government, another social regime would do. Evidently, it has been said that these measures... [pauses] I have read some foreign news agencies' reports. They state: Cubans claim these are not shock measures but, if the price of cigarettes is raised almost 700 percent, or 500 percent, is this not a shock measure? Well, it depends on how you look at it. If the cigarettes' usual price is raised 500 percent or 600 percent, but the public health budget remains unchanged, and the education budget remains unchanged, then the measures are not exactly shock measures.

[Rodriguez] Nevertheless, it depends on who evaluates them. Some have called them moderate measures. They have not necessarily called them harsh measures.

[Sexto] They are the most intelligent ones.

[Rodriguez] Yes, they are obviously the most intelligent ones. Nevertheless, we are here, being affected by the measures, and we consider them neither exaggerated nor weak measures. The measures are negative; the measures undeniably affect us today; but they will improve our situation. Furthermore, they represent our only option. The only other possible option would be to have enough products to fill the market. We all know that given the current circumstances in our economy, we have no money to import the necessary products or the raw materials to manufacture them in the country.

In due time—technicians and experts say in not less than 18 months—we will realize the essential results of these measures. The peso—the value of which has decreased, which is devalued, and which people practically do not even consider nowadays—will be much more valuable. The peso will assume more value, proportionate to the degree to which I must use pesos from my salary to pay for services and products. We will see the peso recover its value to the extent that money circulating in the country achieves a rational, stable value, a value recommended

by experts, a figure suggested by common sense, so far as financial sense is concerned.

In fact, to reassure certain people... [pauses] you know that many people worry about the black market and the underground economy. Many think that the black market and the underground economy solve the people's problems. I wish to dispute what those people say. I say the black market does not provide for the country because I am quite convinced that the amount of merchandise circulating in the black market is a minimal amount; it is a minimal volume of merchandise.

Aside from that, no family can afford black market prices. You must clearly realize that. No one can live on the black market. The problem is that the black market also creates an illusion, the same illusion created by the peasant's free market, the illusion of a store window full of things that I can buy. The truth is that you buy two pounds of rice today, two pounds of beans another day, a chicken on another day, and a piece of pork on yet another, but when you add up two pounds of rice, two pounds of beans, a chicken, plus a piece of pork, it represents much more than the income of a family in which four persons work.

[Sexto] Of course. But there is more, Osvaldo. There is more. It is an illusion. The amount of merchandise in the underground economy is a mixture of black market mechandise and merchandise that, in one way or another, comes from legal sources. The minimum volume of the underground economy is indicated precisely by the high prices of that economy. The blind, deaf laws of a market economy prevail in the undergound economy, the so-called black market. If I have a small amount, the prices go up. If there was a lot of merchandise in that market....

[Rodriguez, interrupting] The prices would drop.

[Sexto] The prices would not be so enormous, so brutal.

[Rodriguez] We will now have to see how the cigarette prices react, for example, where there is a sufficient supply [words indistinct].

[Sexto] Of course, of course.

[Rodriguez] If there is a need to sell cigarettes in the undergound economy... [pauses] I think some people buy their quota even though they do not smoke. They will buy it at 6 or 7 pesos; and, if they want to sell it to get additional income, they will have to sell it for less than the open market price, which is 9 pesos. In other words, they cannot sell it for a much higher price because there is a volume of cigarettes on the open market and the black market therefore has no reason to exist. The underground economy has absolutely no reason to exist.

[Sexto] You said the black market prices are high because there is a small amount of merchandise.

[Rodriguez] That is right. Also, to the degree that excess circulating money and excess money in the Cuban people's hands decreases as a result of all these measures... [pauses] for the sake of calming some people who worry about this—personally speaking, I have had altercations with certain people—I state that the black market will tend to decrease because it must be proportionate to the volume of circulating money and the people's purchasing ability.

[Sexto] Of course. To the degree that there is less money, there will be less opportunity to demand a high price. Therefore, Osvaldo, to conclude—I think you are reminding me that we are running out of time—I believe this must be considered a sick person's unavoidable step toward recovery. He must undergo a treatment that many times proves uncomfortable or painful.

I also issue an appeal to the people's patriotic spirit. The citizens cannot think only with the lower levels of their conscience. They must also think with the superior levels. We have a debt toward the Cuban Revolution. We might talk about that in another program. I believe that we must protect the Cuban Revolution's achievements by making a contribution today—this sacrifice.

Journalists Discuss Lack of Controls

FL1006000194 Havana Radio Rebelde Network in Spanish 1600 GMT 8 Jun 94

["Straight Talk" program hosted by Osvaldo Rodriguez of BOHEMIA magazine with Jose Alejandro Rodriguez of JUVENTUD REBELDE newspaper; date not given—live or recorded]

[Text] [O. Rodriguez] I think that, as has been analyzed on previous occasions, in a society like ours, money hoarders must get their resources from state funds and state stores. Compared to a continental nation, there are no borders through which contraband could enter here. These money hoarders do not import anything from abroad, they have no contacts abroad, so they get everything here, they steal everything, they divert everything from state resources. I believe this is a very important issue because if we are trying to fully eradicate the problem and prevent it from ever occurring again, we must go to the root of the problem and investigate why these money hoarders emerge as tycoons, as we have seen in some recently published cases.

[J. Rodriguez] Yes, Osvaldo. Evidently, the money hoarders, this phenomenon of ill-gotten wealth, as you said, does not come from abroad, from outside our country. As you said, we are an island; there are no private suppliers or warehouses here. There are joint enterprises, but these have obligations to the state rather than to individuals.

[O. Rodriguez] These enterprises have very little stolen from them because they have the best control methods.

[J. Rodriguez] Of course, because they do not want to lose revenue.

[O. Rodriguez] Not only that, I believe they have very good, effective control methods, so very little pilferage takes place.

[J. Rodriguez] Yes. Now what happens, this phenomenon that we face... [pauses] many times we see only the final result of the phenomenon. It is true we must counter the phenomenon of ill-gotten wealth, and it is true that a series of measures have already been implemented; but we must also investigate how this happens, what factors allow it, what phenomena in our society encourage or endorse this behavior and these actions. Osvaldo, it is also true that the great amount of resources they handle can come only from our own enterprises' warehouses.

The country has a deficit of raw materials and products in every sector—we know that even pins are scarce in our country—so we cannot understand how reports on the first results of the operations indicate that certain products, which are stored and controlled by the state, end up in these persons' houses.

[O. Rodriguez] Large amounts of fuel.

[J. Rodriguez] Large amounts of fuel—fuel we do not have, Comrade.

[O. Rodriguez] Yes, of course.

[J. Rodriguez] We do not have it and we are experiencing great problems in the energy sector. We find that these people have even stored oil. That oil comes from a base, from a....

[O. Rodriguez interrupting] A state-owned base.

[J. Rodriguez] Certainly. A state-owned base. No one here gets a tank of oil by mail from another country.

[O. Rodriguez] Certainly, certainly not. They also have soy, fodder, and cement. They have built large houses. How do you build a large house? You can build a large house only by stealing the materials. Everyone knows that. Those who have built houses on their own know how difficult it is to complete one. In normal times—we are not talking about the crisis, we are talking about normal times when it was easier to get construction materials—it takes many comrades three, four, or five years to build their houses. Sometimes it takes 10 years because it also depends on the financial resources available. Well, these people are capable of building three-story houses, eight-room houses, mansions in six months. These people have undoubtedly stolen a considerable part of those materials from the state. Of course, I do not think they have stolen all of the materials from the state.

[J. Rodriguez] Obviously.

[O. Rodriguez] These people also have other things—for example, cars and motorcycles.

[J. Rodriguez] Of course, of course. The main source of their riches, meaning the profitable thing—that which allows a person to achieve a status that is 15 or 20 times higher than that of any citizen—is essentially a result of the products stolen from the business sector due to the lack of controls.

[O. Rodriguez] I think our reasoning about the lack of controls should be expounded upon so that we make our listeners aware of the individual participation that each one can have in this control. Whenever we think about control, we think about the enterprise's director or manager, and we forget about the warehouse employee, the driver, the receptionist, the clerk, everyone. Those who do not handle the resources at least get to see them.

[J. Rodriguez] Of course.

[O. Rodriguez] They see the merchandise; they see when it is removed; and they can remain alert to any developments.

[J. Rodriguez] Look, Osvaldo, there is a specific example of this phenomenon about the lack of control. It was discussed even during the previous period of sessions at the National Assembly of the People's Government. It is one of the cardinal problems that must be tackled head-on. I am talking about the lack of discipline in bills and payments between enterprises.

[O. Rodriguez] This helps to hide the pilfering.

[J. Rodriguez] All the pilfering. For example, I am a supplier of detergent, and you are the dry cleaning enterprise—this is a hypothetical example, unrelated to any particular case. I send you a monthly amount. All this has to be supported by documentation. This is why accounting was invented; it has no other purpose. The problem is to make people comply with the accounting system. At times, we ask ourselves: Why is this not followed? I am convinced there are people, managers, who have not attributed the proper importance to economic control, but there are also people who benefit from the lack of economic control, shoddy accounting, and a lack of strictness because otherwise, they would lose their supply line. We mention the lack of discipline in billing and payments. I send you the detergent and that has to be accounted for by documents that we both sign. You buy the detergent and I supply the detergent. If you never pay me through the bank or by documents for my shipment however, what guarantee do I have that the shipment made it to your enterprise? This is how much of the pilfering has been accomplished. This detergent is later sold to us on a street corner—a little can of detergent costs I do not recall how much.

[O. Rodriguez] Yes. If I did not pay for it, if it did not make it to my inventory, I do not have to answer for what I did not pay for. Yet, I received the product.

[J. Rodriguez] There are two possibilities: Either you are a foolish businessman—a luxury we cannot afford—or you are aware of what you are doing and are promoting the lack of control, which benefits many individuals. This is also what happens.

[O. Rodriguez] Yes. I think this example is very enlightening. I believe it reflects why the billing and payments problem continues. I believe this example, which is hypothetical, as you pointed out, takes place over and over at hundreds of enterprises.

[J. Rodriguez] If it was a foreign company, they would make sure they were paid what they are owed because it affects their profits. However, since at times we separate the two—this is for the state, not for me—then we do not worry, and John Doe is expected to pay.

[O. Rodriguez] Yes, I think your reasoning is logical, but I would like to slightly disagree with what you said at the end. You said that if there is a foreign company, they make sure they get their money. I believe there are many Cuban enterprises and state enterprises that get paid. We have mentioned negative examples here of foolish managers or managers who are voluntarily on the take. There are also many honest, good managers, however, who have other problems with their enterprises in achieving control. There are other reasons, such as structure, guidelines, excessive centralization of the decision-making process, and other things. There are places that observe control measures, however. In Cuba, we have places that are exemplary in terms of controls, not only in the civilian sector, but also in the Revolutionary Armed Forces [FAR]. The industrial enterprises of the FAR are a good example of controls. I believe that you have written in JUVENTUD REBELDE, and earlier in TRABAJADORES, about control and how there are places, warehouses etc., where even the smallest screw is controlled, and nothing gets lost.

[J. Rodriguez] I believe this is, above all, a problem about political willingness. As you say, there are many enterprises that have always displayed a great zeal for strict controls. This also depends on the combined willingness of the people involved and their awareness of its importance.

Before, we used to say: Yes, we must meet the plan at any cost. That was a standard cliche. At this juncture, however, in terms of the economic endeavor, and above all, because of the way we are pressured and affected by the national economic situation, we cannot afford to lose even a pin. This is one of the essential problems. We have conducted campaigns for trustworthiness in accounting, and plans to control rotations and essential resources. We have done all kinds of things. Many more things can be developed, however. But what is decisive is the human and political will to protect the resources.

[O. Rodriguez] I believe that individual responsibility is needed even more, a commitment to watch over those resources.

Returning to the initial subject: What has been seized from money hoarders demonstrates that there is a lack of control in many places. They have great amounts of spare parts, cars, fuel, and resources. Therefore, I believe those are the cracks in the state economy that permit the emergence of money hoarders, their wealth, and their continued abuse of the rest of the population.

Dominican Republic

Balaguer Justifies Presence of U.S. Officers

PA0906230794 Paris AFP in Spanish 2133 GMT 9 Jun 94

[Text] Santo Domingo, 9 Jun (AFP)—Dominican Republic President Joaquin Balaguer justified the presence of U.S. military officers along his country's border with Haiti, saying it is the result of an agreement with Bill Clinton and UN envoys William Gray and Dante Caputo.

In statements to the press on Thursday, Balaguer said the Haitian military leaders' Dominican bank accounts have not been frozen.

Twelve U.S. Atlantic Command officers arrived at Santo Domingo on 8 June and immediately transferred to the Haitian border where they are coordinating with the operations of "their Dominican counterparts" to prevent violations of the UN-decreed embargo against Haiti.

The Balaguer government's agreement with Caputo and Gray includes sending helicopters and sea craft to prevent the entry of fuel and other articles to Haiti that the embargo prohibits.

Although it has been said the arrival of helicopters would be imminent, only the presence in Dominican waters of the USS Cyclone and USS Tempest has been officially reported so far.

A diplomatic source consulted by AFP has said the arrival of the helicopters will depend on the report on "logistic needs" by the UN observer mission, which is comprised of approximately 60 people, who should arrive shortly in the Dominican Republic.

Arrival of U.S. Officers Criticized

PA0906174794 Madrid EFE in Spanish 1625 GMT 9 Jun 94

[By Alonso de Contreras]

[Text] Santo Domingo, 9 Jun (EFE)—The arrival of U.S. military officers to the Dominican Republic to provide assistance on the Haitian blockade and the alleged risk that the crisis could be extended to the entire island has diluted the interest over the result of the controversial elections held on 16 May, which is still pending.

Twelve U.S. military officers and civilians, all assigned to the U.S. Army Atlantic Command [as received], arrived in the Dominican Republic last night in response to a request made by Dominican President Joaquin Balaguer for support in carrying out the embargo on Haiti.

The arrival of the military officers, however, has been criticized in numerous Dominican political and media circles. It was described as an intervention and an attempt against Dominican sovereignty. In addition, the principal Dominican business and social leaders have written a letter to the UN Security Council, the UN secretary general, the OAS secretary general, the U.S. Congress, and the EU, in which they warn of the danger that "poor handling" of the Haitian crisis could destabilize both countries, which share the island of Hispaniola.

The signatories of the document, ranging from members of the Catholic hierarchy to presidents of media and business organizations, who did not send a copy of their letter to the Dominican Government, ask themselves if the Haitian crisis "as it is being handled now could destabilize the entire island of Hispaniola, turning it into a volcano of 14 million people."

The letter, after noting the huge cultural differences between Dominicans and Haitians, states that the 1991 military coup in Port-au-Prince "and the subsequent embargo have aggravated a chronic crisis, which because of poor handling (...) threatens to break up the coexistence between the two peoples."

The authors of the communique, after insisting that "a deformed image of the links and relations between Dominicans and Haitians has been presented," note that the Dominican Republic in the last 25 years has been able to develop "a democratic system that has allowed the holding (...) of free elections."

The document, which was distributed today to get the signatures of Dominican citizens, says "the Haitian population pressure, with its outgrowth of illiteracy, disease, ecological devastation, and large scarcities, demands that the Haitian problem be resolved with the assistance of the economically powerful countries." The document, however, does not specify the type of assistance required.

The Haitians "displace Dominicans from their jobs, reduce wages, compete for land, and cause serious health problems," it adds in obvious reference to the thousands of black laborers who participate every year in the harvesting of sugarcane and who receive wages lower than those given to Dominicans and even live in "bateyes" (communities) established by government firms.

After repeating that the Haitian "tragedy" is worsening with the UN and OAS embargo, the letter asserts that "no country, with conditions similar to those in the Dominican Republic, is willing to shelter the Haitians who flee from the intolerable conditions in which they live. The massive Haitian immigration has implications, not only of a social and economic character, but also prompts a political situation of unforeseeable consequences in the future of the Dominican Republic."

All observers consider the letter to be the most important document presented by the Dominican Republic on the Haitian issue. Diplomatically, the government has not defended this position at the United Nations and has only done so timidly at the OAS. The document ends with a defense of Haiti's and Dominican Republic's sovereignty.

The letter, dated 8 June, was made public today, 24 days after the Dominican Republic general elections concluded. The final election results are still unknown—although President Balaguer leads his opponents in the provisional vote recount. The post-electoral crisis is still visible due to the opposition's charges of fraud. The letter also appears after President Balaguer ordered a "blockade" of the border following a meeting with U.S., UN, and OAS representatives on 25 May to discuss compliance with the embargo on Haiti. According to Washington and the international organizations, Santo Domingo was not complying with the embargo.

Haiti

Minister Hails 'Firm' OAS Message on Embargo

FL0906184494 Port-au-Prince Signal FM Radio in French 1030 GMT 9 Jun 94

[Text] Claudette Werleigh, the Aristide government's foreign minister, considers the latest OAS General Assembly measure a very firm message to the de facto authorities in Haiti. The 34 OAS foreign ministers adopted a resolution on an embargo on commercial flights to and from Haiti and on freezing the financial assets of members of the Haitian provisional government:

[Begin Werleigh recording, in Creole] This is why they mention in the resolution....[pauses] One of the last points involves working toward professionalizing the Army so that we can have an Army that protects the territory and helps us form the new police force provided for in our Constitution rather than one that tortures people, kills, and destroys. [end recording]

APN Urges Aristide To Take Clear Stand

FL0906191794 Port-au-Prince Signal FM Radio in Creole 1130 GMT 9 Jun 94

[Excerpts] The People's National Assembly [APN] has issued a press release that notes we are passing through a difficult moment in the history of the battle of the people's masses, a period involving all the reactionary forces, including macoutes appointed by the bourgeoisie and U.S. imperialism to break up the people's struggle to change their living conditions. The APN says the Army and the Revolutionary Front for the Promotion and

Progress of Haiti [FRAPH] have been leading a (?knocking) operation against members of people's organizations nationwide since the end of April.

The APN reports that this (?knocking) operation continues in Borgne. On 2 June, the unscrupulous Army and the wild animals [lame sanmanman an avek tout kolonn bet sovaj] who are part of FRAPH burned peasants' houses and gardens. They plundered and stole oxen and food and staged a slaughter that prompted peasants to flee the area. [passage omitted]

The APN adds that this (?knocking) operation is leading up to a military intervention, which will allow the U.S. imperialists to occupy the country for a certain time, the only way to come and protect the macoutes from the people who are asking for justice.

The APN warns the people against the [word indistinct] policy that the bourgeoisie and the little avalanche bourgeoisie have been carrying out for three years, a policy that has kept the people waiting. It is a way to demobilize them and make them believe that U.S. military forces will come to save (?them) from the terror of the macoutes. The APN says this in light of the U.S. military intervention hanging over Charlemagne Peralte's country.

The APN asks President Aristide to stop (?changing his words) and to be courageous enough to take a clear stand on the intervention issue if he does not want history to regard him as a Haitian trading Charlemagne for Uncle Sam. The APN says President Aristide should take a clear stand on the intervention issue. The APN again says that it opposes any foreign military intervention into the country of Dessalines and Charlemagne. The APN concludes: Down with military intervention! Down with reconciliation with macoutes! Up with the struggle resting on the arms' strength of the people!

Aristide Accused of High Treason

FL0906205694 Port-au-Prince Radio Metropole in French 1600 GMT 9 Jun 94

[Text] The Capois-La-Mort Organization has accused the president-in-exile of the crime of high treason and of complicity with the enemy. The organization calls on the Senate of the Republic to rigorously apply the Constitution to its maximum against Jean-Bertrand Aristide, accusing him of having asked, on several occasions, for the occupation of his own country by a foreign Army.

The Capois-La-Mort Organization demands the government set in motion public action against the president-in-exile, guilty, according to the organization, of high treason and complicity with the enemy.

The National Christian Democratic Party, PDCH, reasserts its opposition to the physical return of President Aristide to Haiti and expresses indignation about the latest statements by the priest/president. PDCH calls those statements murderous. PDCH of the late Sylvio Claude, led by Joachin Pierre, asks the concerned institutions, especially the Haitian parliament, to assume their responsibilities lest the institutions be questioned in the court of history.

Army Responsibility for Detention Centers Ended

FL0906222194 Port-au-Prince Radio Metropole in French 1800 GMT 9 Jun 94

[Text] The government of Judge Emile Jonassaint has decided to release the Haitian Armed Forces from managing detention centers. Following a meeting of the Council of Ministers at the National Palace and a follow-up visit by the ministerial delegation to the national penitentiary, the government of the provisional president has decided to put the management of the detention centers in the hands of civilian authorities. Meanwhile, the provisional government points out that prompt measures to improve the conditions of the prisoners will be taken.

Aristide Adviser on U.S. Flight, Radio Plans

FL0906185994 Port-au-Prince Radio Metropole in French 1945 GMT 9 Jun 94

[Text] Citing sources close to the Clinton administration, one of President Aristide's advisers-in-exile has said the United States is preparing to suspend its commercial flights and to broadcast radio programs into Haiti. Michael Barnes, principal adviser to the president-in-exile, said the U.S. Government is ready to unilaterally tighten UN sanctions ordered against the military that overthrew elected President Aristide 31 months ago by withdrawing U.S. visas granted to some wealthy Haitian families who support the putschists. The radio broadcasts would allow Father Aristide to speak to the Haitian people on his request, he stated. Haitian soldiers are led to believe that if Aristide returns, they will be murdered or arrested. The president wants to let them know of his plans to rebuild the country and to professionalize the Army by separating it from the police, the president-in-exile's adviser explained.

The creation of a civilian police force and the professionalization of the Army can take a lot of time—perhaps until February 1996, the date the elected president's mandate expires, the adviser acknowledged. Barnes denied that President Aristide, who only governed for seven months in Haiti, intends to extend his mandate of 31 months. He will respect the Constitution, which prohibits any reelection to the Presidency, and will transfer power to his elected successor in 1995, Barnes noted. The president-in-exile's adviser also indicated that upon his return, Aristide intends to create jobs by reinforcing Haiti's infrastructures and by addressing the most urgent needs with a $500 million plan.

Foreign Nationals Could Begin Leaving

FL0906184394 Port-au-Prince Radio Metropole in French 1045 GMT 9 Jun 94

[Text] Sources close to some of the diplomatic missions in Port-au-Prince are reporting that some foreign nationals have allegedly begun leaving the country in light of a possible armed intervention. Members of international and nongovernmental organizations working in the country could start leaving on 10 June on the recommendation of their respective countries. Some meetings have been held on this issue, but no public notice has been issued yet.

FNCD Introduces 'Nonviolent' Solidarity Organization

FL0906214594 Port-au-Prince Signal FM Radio in Creole 1130 GMT 9 Jun 94

[Excerpt] The National Front for Change and Democracy [FNCD] advises that it has created a democratic space, bringing together many sectors that are struggling for democracy in the country. It is called the 16 December Democratic Camp, or K-16 [Kan Demokratik 16 Desanm]. The FNCD congratulates all organizations that have united to defend the principles of the 16 December 1990 and 20 January 1991 elections. The FNCD says it has taken this opportunity to tell the population that the solidarity ... [pauses] the political unity called K-16 has not preempted the autonomy of the organizations that have joined this movement.

According to a press release issued by the FNCD on 9 June, K-16 is an assemblage of all organizations that deem it necessary to unite the people in order to reach an acceptable solution to the serious crisis the country has been experiencing since the 30 September 1991 coup. FNCD says it encourages all people's and peasant organizations, unions, students, pupils, women, socioprofessionals, and staunch political parties throughout the nine geographic departments of the country to cooperate with K-16 in order to activate, and together support, peaceful political activities so the crisis can be resolved and so Aristide can return to the country soon, in order to put an end to the de facto practice.

The FNCD explains to everyone that peaceful political activities include nonviolent actions, steps that do not threaten lives and private or public property. Once again, the FNCD asks General Cedras and his colleagues to resign to release the country from its suffering and the danger of an invasion by foreign forces.

Friends, day has dawned. Get up! The cock has crowed. This must change, the FNCD concludes in a press release signed by Dr. Turneb Delpe and Evans Paul. [passage omitted]

Zedillo Unveils Economic Growth Program

PA0906150194 Mexico City LA JORNADA (PERFIL DE LA JORNADA Supplement) in Spanish 7 Jun 94 pp 1-4

[Speech by presidential candidate Ernesto Zedillo Ponce de Leon of the Institutional Revolutionary Party; at the "Economic Growth for Family Welfare" symposium in Mexico City on 6 June]

[Text] Ladies and Gentlemen: Today, speaking before the workers, farmers, union leaders, professionals, businessmen, and representatives of the financial and civilian sectors, I have come here to present my economic growth program for family welfare. Thank you very much for being here. All of you, who represent various fields and organizations, play pivotal roles in Mexico's economic situation.

Modern Mexico, the country with the institutions we enjoy today, is the result of long-fought social struggles, programs that were advanced through decades of hard work. This explains the striking clarity of the rebels' demands, the firmness and validity of the untiring Juarist struggle, and the surprising strength behind the Mexican Revolution's social motivations.

We Mexicans have been building the framework which regulates and guides the nation's mission, and which, in 1917, was asserted as the will of the Mexican people to become a representative, democratic Republic, comprising free and sovereign states united in a federation.

Under its protection, and under the leadership of the National Revolutionary Party, the Party of the Democratic Revolution [PRD], and the Institutional Revolutionary Party [PRI], Mexico has modernized.

We are gathered today because we all want a nation in which every child can go to school; in which every worker has a well-paying job that enables him to provide housing and health care for his family; in which there is no poverty that frustrates the talent, impedes the destiny, or offends the dignity of the Mexican people; and in which all of us can feel safe and have our rights protected. Today, more than ever, Mexicans want to enter the 21st century as part of a great nation based on social welfare, equity, and justice.

Today, I have come to talk about my commitment to economic growth, my firm commitment to an economic policy that will enable us to grow; to increase profit margins in the industrial, agricultural, and service sectors; and to generate more jobs and higher incomes for Mexican families.

During my campaign, I have stressed that the struggle against poverty will be a priority for my government. This is why I will soon present to the people an aggressive, robust, and participative strategy to promote social development. Today, I will focus on growth, the means through which we can generate jobs and higher wages and sustain the fight against poverty.

In recent years, we Mexicans have made great efforts to overcome the crisis of the 1980's. Structural imbalances, debt, and ill-timed participation in the international market all helped engender a substantial loss in terms of public welfare.

In facing these challenges, and in taking advantage of new opportunities, Mexico decided to become an active participant—not a passive spectator—in the change process affecting the world. This change of attitude, which was promoted by President Carlos Salinas de Gortari, was designed to face the crisis of the eighties, the crisis produced in the past decade, and to lay the various foundations for the country's future development.

Our economic reform has allowed us to do two things. First, a stabilization policy was applied, and, for the first time in more than two decades, annual inflation was reduced to less than 2 percent.

This policy was based on reorganizing public finances and on a successful renegotiation of the public foreign debt. In this way, the government stopped imposing on the people the so-called inflationary tax, which is the most unfair tax there is, the one that hurts the lower classes the most.

Likewise, the public debt as a proportion of the GNP decreased by more than two-thirds, from 68 to 21 percent. Mexico went from being one of the most indebted countries in the world to the least indebted in relative terms among the member-states of the OECD.

Second, economic reform allowed us to implement a policy of structural change to modernize the productive sector. This, along with more efficient government methods, contributed to the increased channeling of resources into social programs, as well as to helping ease the effects of extreme poverty in many regions of the country. The government also has allocated resources for the expansion of the infrastructure and other productive sectors of the economy. This is why we must consolidate the structural changes made to public expenditures.

Thanks to a great collective effort, we certainly have made progress, although this progress has not completely redressed our shortcomings. Wide segments of our population still live in poverty. We are not creating enough jobs and many of the existing jobs are unstable or only part-time. Instead of a growing formal economy, we have a growing underground economy. The workers' real wages are insufficient and peasant incomes are too low. I have seen how many microbusinesses, small businesses, and medium-sided enterprises are having trouble surviving.

Also, we must be fully aware of the challenges we will have to face because of our population growth. Even though our population is increasing at a rate of 1.9 percent annually, the labor force is increasing at an annual rate of 3 percent. This shows that social and demographic pressure is still being applied to the labor market. Because our population is predominantly young,

this pressure will not decrease for many years. We must create an average of 1 million jobs per year to employ the women and young people who are entering the job market.

We also know that because of demographic reasons, only one-third of the population is economically active. This is why it is imperative to substantially increase productivity in an effort to increase everyone's income.

Sustained growth demands greater productivity from everyone in a framework of economic stability in order to guarantee certainty and thereby encourage people to plan, invest, save, and work productively.

By eliminating inflation, we will put an end to one of the most damaging phenomena to the distribution of income. This is why I intend to keep inflation under control by maintaining healthy public finances.

We reject demagogic positions that call for greater expenditures and reduced prices for everything. This is impossible. In the past, such policies were carried out at a high social cost that was ultimately paid by the Mexican people. We cannot return to these practices. A policy of balanced public finances demands that we charge what is fair and only spend what is socially necessary. The proposal I am presenting to you today is realistic and responsible.

Our assessment is clear: We have made important progress in the consolidation of a flexible, modern, and participatory economy, but we still need to make additional progress to capitalize on these efforts and to attain greater levels of prosperity.

We, the Mexican people, have made great efforts to stabilize the economy and make the necessary structural changes. We have seen an unprecedented process of sacrifice on behalf of everyone, but it has been a necessary process and one that is worthwhile. Mexico already has laid a solid groundwork for the future.

The time has come to pass from stability and structural adjustment to a policy of promoting investment and economic growth. The time has come to pass from stressing macroeconomic concerns to ensuring microeconomic transformations. The time has come to enrich the nation's integration with the economic opening of each region.

There are very few nations that have the social energy and human skills exhibited during Mexico's structural change. We must now use these assets to develop production and promote growth.

The strategy we will adopt to encourage growth is based on equal participation, clear rules, and fair treatment for all the productive sectors. We need fair treatment for our producers in competition overseas, fair treatment for domestic producers in their relations with the government, and fair treatment between producers and the production forces.

Fair treatment for domestic producers means they will not be disadvantaged when competing in overseas markets. It means they will not have to pay more for public services and raw materials here than their competitors pay overseas. It means financial competition should be bolstered by interest rates in Mexico that are competitive with international rates. If we indeed opened the economy to enable foreign competition to encourage efficiency and productivity, we must also correct the unfair conditions under which our producers compete.

Fair treatment between the government and individuals means having a transparent and fair fiscal system. It means the people will be able to defend themselves from possible abuses of authority. It means state-run companies should be efficient and work to provide goods and services under competitive conditions that are contingent on quality and price. It means precise regulation, without excess, to effectively encourage economic activity.

Fair treatment between individuals means judicial security in labor-management contracts and combating monopolistic practices and abuses. It means healthy competition will be encouraged and privileges will be done away with.

For this reason, my economic policy will be governed by the principle of fair treatment. I promise to ensure fair treatment for everyone and every group, regardless of size, geographic area, or economic activity. Fair treatment is what each and every one of you demands. Fair treatment will be a fundamental responsibility at every level of the government.

We will create the jobs that Mexico requires. We will begin to walk along the path of steady growth. We will progress in a stable manner toward an economy of the future, a more participatory economy, and an economy that favors the well-being of the family.

This is why I am proposing to you, representatives of all of the nation's productive sectors, a 10-point strategy for the reactivation of the economy and steady growth. We need this economic reactivation because the Mexican people cannot accept stagnation. We must reactivate our economy quickly and effectively. Steady growth is important because we do not intend to simply grow in the short-term, but, instead, to consolidate a structural change so that the productive sector can take advantage of the opportunities provided by domestic and international markets.

In this proposal, I hereby make a pledge to lead our economy to grow in 1995 at a rate that at least doubles the population growth rate and to increase this growth rate gradually in the years that follow. We know how to do this, and we will do it together.

I hereby make a pledge for this strategy to remain consistent with macroeconomic stability and to have as its main pillar the promotion of private and public investment, as well as the promotion of exports.

The 10-point proposal I am presenting here today to you and the entire public does not originate from an insensitive cabinet report, but has been nurtured with proposals presented by workers, peasants, housewives, youths, executives, and students. It has also been nurtured with recommendations made by the business sector, researchers, and social activists throughout the country. It is a strategy prepared after intense consultation carried out in factories and workshops, in companies and ejidos, in classrooms and business establishments, in households as well as work stations. I am confident that Mexico's social and productive sectors will recognize their proposals in this strategy. It is a strategy intended to multiply their opportunities and attain their aspirations. The 10 points for economic reactivation and sustained growth are as follows:

First: Investment Promotion, the Drive Behind Growth

In order to create the jobs Mexicans are demanding, the economy must grow, and in order for this to take place, we must significantly increase investment.

Private investment is the basic drive behind sustained economic growth because it plays an irreplaceable role in the development of the productive sectors by prompting the capacity to encourage society's well-being. For this reason, the next government must place the highest priority on promoting investments. We will design and apply measures to increase project yields and create adequate settings for investments to grow, and employment along with it.

Foreign investments must continue to be the complementary support to national investments, since it allows the acquisition of leading technology, and represents a link with international flow of trade and production. We will promote conditions of legal protection and parity in order for foreign investment to continue its complementary role.

Public investment is also essential to promoting growth, most of all, if it serves to eliminate bottlenecks in strategic sectors and provide needed infrastructure for the expansion of economic activity. Public investment is an important lever for accomplishing balanced regional development.

We plan to select public and joint investments that will encourage greater employment opportunities, are better rewarded, and of greater social impact to the entire nation. These investments will adhere to clear-cut guidelines and social relevance in order to take advantage of the best resources our economy counts on.

I propose three concrete actions to reactivate public investment and thus encourage a significant volume of private investments.

First, I intend to increase public investments during my first year in office by an additional one-fourth of its current level.

Second, we intend to promote reforms that will allow multi-annual public investing budgeting, which will ensure certainty when financing medium- and long-term projects.

Third, in order to induce private sector participation in infrastructure projects, I propose the creation of an Investment Promotion Fund.

This fund will provide protection to investment projects and open the door to financing at rates and periods in accordance with their respective yield and maturity period. The fund will also be in a position to invest risk capital on a temporary and minority basis, in addition to being able to complement private investment.

This fund will be financed with resources originating from a Contingency Fund, funded with profits received from the segregation of public sector assets which up until now has been used to pay off the public debt.

This fund will be authorized to engage long term resources in the international markets when conditions are favorable for this purpose. The fund will operate with prudence and its resources will be earmarked for specific projects, the yield of which will guarantee repayment capacity.

Just as in the past, the priority need to reduce the public debt was well taken care of with money from privatizations [disincorporaciones], today, when the priority is to reactivate the economy, these resources will be used to stimulate investment in infrastructure projects.

Second: Investment in Education, Training, and Health

The central objective of my economic policy proposal is to improve the standard of living of the Mexican family. We must devote special attention to investing in people. Higher education, better training, and better health services will be our social platform so Mexican workers can be more productive and earn higher salaries.

Education will be an undisputed priority item in my government. We must make a great effort and conduct a true national crusade to overcome the persisting backwardness of our education, improve its quality, and lay a sound foundation for personal realization and improvement. Education is the key for a future of development, well-being, and justice.

In addition, the technological revolution underlines the importance of workers' education and training. Technological progress tends to eliminate unqualified and semiqualified jobs in all productive sectors. The new jobs require analytical ability and the ability to handle automatic or computerized equipment. To be competitive, we must substantially increase our efforts at training and investing in workers.

I hereby pledge that, during the next government term, the number of workers who receive specialized training every year will be multiplied by at least 500 percent. We will do it through government incentives, based on the

structure and needs of the enterprises. We will expand the training program through scholarships and financial support for adults, employed or unemployed, who require adaptation to new production technologies.

Under the labor principle I have presented, that the only acceptable changes will be those leading to the workers' higher standard of living, we will encourage new forms of organization, which can make it possible for workers to move within enterprises and in and out of sectors.

We will reinforce and extend the system of technical studies and training for work. To stimulate the scope and quality of higher education and to encourage scientific and technological research to unprecedented levels will be one of the highest priorities in the strategy that I propose.

Our attention should also be focused on health. Health is an essential factor for human well-being and productivity. We will see to it that the financial requirements of the institutions in charge of caring for the workers' health will not unnecessarily increase the enterprises' costs because this would reduce competitiveness and limit the level of productive work. To progress simultaneously toward more jobs and better health, we will supervise the costs of the social security institutions, demanding higher efficiency from them.

We have a special responsibility to working women. We will create new mechanisms so they can have good day care centers and good security and social assistance services. In addition, we will make a great effort to incorporate into the social security system those workers who do not enjoy this benefit at present.

To invest in education, health, and training is to invest in people. It is a direct investment in each Mexican child, young person, woman, and man. It is the most profitable investment for Mexico's present and future.

Third: A Fiscal Policy for Investment

Throughout my campaign, I have heard again and again strong concern about the tax policy. Tax policy should become a pillar for supporting and stimulating production and investment. We should put the Treasury at the service of taxpayers, taking care that arrogance and abuse do not hamper the efforts and initiatives of all.

Juridical security regarding taxes will receive priority treatment. For this reason, I hereby propose that the fiscal authority in charge of enforcing fiscal laws and collecting taxes be a decentralized, modern, and autonomous agency with officials trained for civil service. As a result, the fiscal administration will have increasingly better trained people who earn salaries in accordance with the work they perform, whose service to the public will be of high quality and who enforce fiscal laws impartially.

I will propose that audits be carried out as rapidly as possible and that at the end of all audits, the taxpayer receive a copy of the resolution, with which he can go to court to confirm or deny the legality of the fiscal authority's actions. I will propose strengthening the Federation's Fiscal Tribunal by giving it greater autonomy.

Regarding simplification of the administration, I will underline the need for the fiscal authority's functions to be those of a community servant and that, as a consequence, it should do its work with the utmost efficiency and the least possible irritation to citizens.

A very important measure of immediate benefits will be to let many more enterprises compute and pay their taxes four times a year instead of every month. This means that more than 80 percent of the country's enterprises, particularly minienterprises, as well as small and medium enterprises, will benefit from this measure. In addition, we will simplify procedures to reduce their administrative burdens.

I will promote an aggressive reforms program to provide a tax framework that can be competitive at the international level. Tax rates are just as important as collection procedures. We will revise the fiscal incentive system by rewarding productive investment. I will promote a reform to increase and extend the benefit of immediate deduction of investment to small and medium enterprises located in the three large metropolitan areas and increase this benefit in the other areas where it is already in practice.

I will propose a new fiscal incentive system so enterprises can devote a greater amount of money to labor training, adopt new technologies, and invest in equipment to combat pollution. This will make us more competitive in the international market and help raise the standard of living of the people in general.

I will propose revising the operational mechanism of taxes on assets to alleviate the harmful effects that have been pointed out to me since the beginning of my campaign. First, and as an initial step, I will propose a 10-percent reduction of this tax to make this rate consistent with the lower corporate tax rate. I pledge to revise this rate and the tax application mechanism at the end of the first year of my government. Second, I will propose a four-year grace period for the payment of this tax by the new enterprises and assets. Third, I will propose that the enterprises that experienced a deficit in a specific fiscal year be exempted from the payment of this tax if they obtained a profit in any one of the three preceding years.

We cannot turn our backs on firms experiencing hardships when these firms are sources of progress for the country.

Regarding workers' personal income taxes, I will propose reforms to simplify calculations and make taxes proportionate and fair. Workers with low and medium incomes will pay proportionately less tax.

It should be noted that the best fiscal system, the fairest and most equitable, is one in which taxpayers meet their obligations. The measures I propose will contribute to creating a fiscal regime that is simple and accessible to most contributors. This will mean better compliance by each tax payer.

We shall reach agreements with local and state governments on new formulas to guarantee the direct flow of greater resources to municipalities. We will encourage the coordination of efforts with local and state governments to improve their own collection sources, without excessive taxes that inhibit regional development, but guarantee the quality of the services they provide.

With these initial reforms we will spend the first year examining other reforms to quickly establish a permanent regime that gives certitude and has mechanisms to avoid continuous modifications.

Fourth: Encouragement of Savings and Competitive Financing for Growth

The financial system plays a fundamental role in collecting savings and its efficient channeling toward productive activities. For this reason we should continue actions that increase the financial system's competitiveness and efficiency, so that its users may have access to services and products with price conditions and opportunities comparable to other countries.

National producers claims on the comparative disadvantage they face is very fair. It is not acceptable that our small- and medium- sized entrepreneurs should face such high interest rates as the current ones.

These rates have two components. One corresponds to the macroeconomic surrounding and is determined by interest rates abroad, expected inflation rates, and the perception of the so called "country's risk." The other component is determined by the middleman's margin; in other words the difference between the cost of funds to middlemen and the rate at which they lend these funds.

By consolidating macroeconomic stability, we should reach single digit inflation, just as at the beginning of the year. Likewise, the congruence of the economic strategy that I propose today will serve to reduce the "risk factor," which in turn will encourage lower interest rates.

It is also essential that the middleman's margin be reduced. For this, we need to encourage greater competition through greater opening of the financial sector, both at home and abroad. We must also encourage greater deregulation to broaden the variety of financial products and ease access to more enterprises to debt and capital markets. It is imperative that national producers have access to internationally competitive interest rates. We will work tirelessly for this.

We admit that even in a scenario of stability, financial markets are volatile and on occasions short-term interest rates reach levels that our enterprises cannot support. This is why I shall encourage the creation of mechanisms of protection that will not allow normal interest rate hikes to directly affect long-term financing for businesses. In addition, development banking will extend the benefits of long-term funding to small and medium enterprises.

I intend to increase development bank resources and support mechanisms for small and medium businesses because they are vigorous employment generators. Likewise, I will seek development banking and new financial middlemen that have arisen following the sector's opening and deregulation and guide their activity toward these types of businesses.

The financial system faces two more challenges: rural financing and boosting popular savings. We must recognize that commercial banking has specialized in niches of apparently more profitable markets, without offering basic financial services to the various productive sectors, population levels, and geographic regions.

It is unacceptable that on the eve of the 21st century, 1,600 municipalities do not have formal savings and loans services. My strategy includes boosting financial institutions with local orientation, which channel development banking resources and encourage popular savings.

I intend strengthening credit unions and savings banks that provide basic financial services to communities. We will take advantage of development banking and, in particular, the National Savings Board, so that it becomes a regulatory institution for these middlemen.

Regarding rural sector financing, it is necessary to encourage new institutional and operational mechanisms for credit to reach the countryside opportunely and at a low cost. I will propose conditions so that credit unions can directly deduct development funds. We should encourage a culture of healthy banking practices, always making a distinction between support, subsidies, and credit.

On the other hand, credit is an essential factor for encouraging the well-being of the population. It also represents a very dynamic activity and is a great job generator.

Today, we have a great housing deficit. Population growth and natural replacement call for building approximately 700,000 houses every year. That is why during the government I intend to lead, I will especially stress housing development programs. In particular, I will encourage necessary reforms to create a secondary mortgage loan market to channel a greater volume of resources to this activity. I also propose to induce a considerable amount of SAR [Retirement Savings System] resources in support of social interest housing.

Fifth: Greater Deregulation To Encourage Employment

Excessive regulation significantly affects productivity, competitiveness, and enterprise profitability. Consequently it inhibits investment and the possibility of generating well-paid jobs. The country cannot grow when producers support a great load derived from obsolete regulations and when regulations limit or eliminate the viability not only of enterprises but whole sectors of the economy.

For that reason, we will make a major effort to properly regulate the needs of an economy that seek greater growth and equity. Deregulation will be extended to all sectors of economic activity, lowering barriers to the entry of new participants, eliminating exclusive advantages, and establishing clear rules to be universally implemented. The result will be lower costs for companies and more jobs for our workers.

Our deregulation efforts must reach all of the country's spheres. Within the framework of our federal pact, I propose to establish coordination mechanisms with the state governments and municipalities. That is particularly important in matters, such as transportation and the use of soil, which may generate bottlenecks in creating jobs. Through these efforts, we will open new opportunities for small- and medium-scale businessmen in the states and the Federal District who are the ones most hurt by obsolete and often arbitrary regulations.

On the matter of concessions and public permits, we will promote legal reforms so that they be granted at all times based on the criteria of efficiency, eliminating discretionary excesses.

We admit companies, small and medium companies in particular, are bearing an excessive administrative burden. We also admit that the framework of regulations frequently favor corrupt practices. Mexico, at the end of this century, cannot have its progress hampered by a dense and sometimes irrational regulation or by redundant and useless administrative procedures.

The economy cannot continue to tolerate, for instance, Federal District businessmen having to go through over 100 steps at government entities in order to set up their businesses. All of this is hurting the opportunities of the district's residents. The policy of deregulation will be accompanied by a profound administrative streamlining and overhauling of procedures at all levels of government.

To keep some companies from obtaining illicit advantages through monopolistic practices, we will promote the policy of competition. The efficiency the country sorely needs to create, productive jobs, can only be achieved through a process of vigorous competition. It is not acceptable that the absence of competition should mean advantages, privileges, and extraordinary revenues for a few. Competition generates more jobs and a more equitable distribution of income.

It must be made very clear that the absence of clear and uniform rules for all, favoritism or abuses by some officials, and monopolistic revenues are not part of the modern economy we want to build. On the contrary, they obstruct it with privileges and corruption. My economic policy will be based on a fair treatment for all. We are going to work together for a participative economy. That is my commitment.

To ensure the effective progress of these measures, we will take advantage of the experience gained in social consensus for the macroeconomy. We will have to enter into a phase in which precise pacts at the microeconomic level are signed, placing the emphasis on deregulation. We will establish follow-up committees to meet periodically to monitor advances. We will do it in every municipality, region, and state where warranted.

Sixth: Intermediary Raw Materials and Infrastructure for Competitiveness

We must eliminate all factors that diminish our producers' capacity to compete and create jobs. For that reason, one of the key elements of my economic policy proposal is to ensure national producers have access to raw materials, under conditions of quality and prices similar to those of their competitors abroad.

We want greater competition, but it must take place under just conditions for all. By equating the conditions for supplying strategic raw materials and infrastructure with those of our chief competitor countries, we will raise the profits of our country's companies, while promoting the creation of jobs we require. We will center our efforts on energy raw materials, transportation, and telecommunications.

With strict adherence to the existing constitutional framework, I propose introducing profound changes within state enterprises in the energy sectors. On the matter of electricity, we will take advantage of the new options the legal framework now offers to direct public investment toward strengthening and improving transmission and distribution and to encourage private participation in generating electricity. That way, local producers will have major savings either because the use of electricity will be cheaper or because improved quality will make it unnecessary to have additional equipment to guard against excessive flaws in the flow of electricity.

Maintaining state ownership and direct control over the hydrocarbons extracted from the national territory constitutes a political commitment clearly outlined in our Constitution. I am endorsing it with conviction and Mexican pride. Oil belongs to Mexicans and will continue belonging to Mexicans.

In order for Pemex [Mexican Petroleum] to further contribute to growth and the creation of productive jobs, I am proposing reinforcing its capacity to provide strategic solutions and operational efficiency.

We must concentrate Pemex's efforts on exploration and extraction. but we must also ensure we have a supply of industrial fuels, including natural gas, that is prompt, reliable, at competitive prices, and in the amounts required by national producers.

This is the only way Pemex will be able to rationally manage a nonrenewable state resource and supply the national plant with the inputs it requires for growth.

Investing in the transportation infrastructure is fundamental for reducing costs and increasing jobs through a broader economic network that enables companies to access regional and foreign markets; consequently, I propose allocating more budget resources to promote road maintenance and prevent the wear on transportation equipment and reduce dates for delivery.

In addition, the strategy I am recommending will encourage greater participation by private companies in construction and operations in order to advance in the enlargement of the road network, within a framework of competition that will lead to more competitive tolls and fees. Mexico has only begun to overcome the predicament, ignored for decades, of constructing modern roads. We must step up the pace. We cannot have new roads that are not used, nor can we have old roads that are overused.

As part of my proposal to modernize transportation, we will begin an in-depth transformation of the railroad infrastructure. This transformation is a serious task modern Mexico must undertake to enhance our economic performance.

Restructuring the railroads is necessary for the modernization of domestic trade. It is also indispensable for deregulating our ports, which will allow an increase in productivity, thus promoting a healthy competition among ports. This competition will reduce the costs of imported intermediate inputs by our producers and will boost competitiveness among exports.

In addition to supporting the process for the generation of jobs, restructuring railroads will be a lever for triggering the development of less-developed areas in the country.

My proposal to support domestic producers also includes a rapid modernization of telecommunications, adapting regulations to technological changes. We will encourage vigorous competition in this sector, resulting in a higher quality service, reduced costs, and development in pace with the country's needs. Improved telecommunications are not only necessary for attracting additional investment in an increasingly interdependent world, we must also have better informed citizens who can participate in the strengthening of our democracy.

Seventh: Technological Modernization for Greater Productivity

In the medium term, technological modernization is the main source of growth. Mexico must reach the 21st century by combining its exports of traditional manufactured good with a greater proportion of technology intensive products. This combination constitutes one of the bases for increasing workers' incomes.

Technological modernization is a long process that entails risks and intense skilled labor. We will create novel plans to reduce investment risks in the purchase, adoption, and creation of new technologies such as fiscal incentives and plans of shared-risk with development banks. We will promote new forms of association among companies so that they may cooperate in research and developmental projects. We will equitably provide incentives, without discriminating among sectors or companies.

Our industrial policy will focus on creating the fiscal, credit, and regulatory conditions and incentives for technological modernization so as to enable all to participate under fair and equal conditions in economic activity. We must avoid repeating the mistakes of the past, when support to special sectors became counterproductive, because instead of boosting efforts to raise productivity, they encouraged the concentration of income.

Eighth: Fair Competition From Overseas

When we speak of foreign trade, we generally think about the competition involved, not considering the opportunities it offers. Foreign trade is necessary in order to produce more and progress. Through trade, we can specialize in manufacturing better those items we produce.

To fully take advantage of this potential, we must advance further by promoting our exports. We plan to strengthen those efforts aimed at tearing down the administrative and legal obstacles our goods are confronting in international markets. We intend to bolster the framework of the foreign trade information centers, advisory, and technical training so as to provide better support to manufacturers. We intend to buttress Mexico's trade offices overseas so as to identify new markets and greater business opportunities. We intend to stress financing opportunities to encourage exports through more effective and active guarantees, as well as provide a larger number of financing intermediaries available to this sector.

Regarding imports, we will promote fair competition. We will vigorously enforce Mexican legislation in those cases in which the Mexican producer is the object of the disloyal practices of international commerce. I will guarantee to all Mexican producers that compensatory taxes will be implemented. I will take the necessary measures to prevent the triangulation of goods coming from countries not included in the preferential treatment regime. I will complement them by conducting a profound overhauling of the country's customs operations.

Concurrently, it is necessary to generate new commercial ties so as to obtain preferential access to the chief

markets of the world and diversify our exports. I will continue to promote international accords to obtain conditions that guarantee fairness with our foreign competitors.

In those cases where there is no commercial reciprocity, we will act with the rigor the defense of our producers demands so they are not hurt by disloyal and unfair competition.

Ninth: Development of Mexico's Countryside

In past years, the bases for rural development were established. The amendments to Article 27 of the Constitution and its laws and regulations strengthen and guarantee the existence of ejidos, communities, and small landholding and expressly banned large landholdings. We now have a legal framework that guarantees the patrimony of the men and women from rural areas and promotes the capitalization of the countryside. I pledge to consolidate and improve Procampo [Program of Direct Support to the Countryside] and promote conditions for fair and loyal competition with the rest of the world. Despite the advances, much remains to be done. Productivity in rural areas is four times smaller than in all other economic activities today. I will decisively support agricultural and livestock production, because I firmly believe in the potential of Mexico's countryside.

We will give priority to the development of the infrastructure, primarily to small-scale and medium-scale irrigation, drainage, the leveling of soils, rural roads, and erosion control projects. Infrastructure projects expand the range of crops the farmer may plant, make the countryside profitable, facilitate access to loans, favor the use of modern products, and permanently increase productivity. They also create more jobs and ease the migratory pressures on the urban jobs market.

Farmers have repeatedly demanded the abolishment of excessive intermediaries. I propose modernizing marketing systems to facilitate direct transactions between farmers and wholesalers, and I will complement this effort with investment in the marketing infrastructure. Similarly, we will promote the organization of farmers to reinforce their productive capability.

I will combat bureaucracy and centralization through a institutional reform of the organizations that handle the rural sector so that farmers' demands are taken care of in their place of origin. States and municipalities, with the support of the federation, will be the ones to meet the demands of rural society.

Tenth: For a Growth Respectful of the Environment

Natural resources and the environment constitute one of the fundamental assets of the economic development of the whole country. To harm them gravely hurts, at times irreversibly, the people's possibility of welfare.

To protect our environment, I will promote economic and fiscal incentives. I also pledge to make ecological regulations clear, with terms that assure investment and entail an adequate cost for society. In addition, procedures must also be streamlined, without hurting conservation.

We will seek to make mechanisms for monitoring and enforcement simpler, more open and effective to facilitate compliance with legal provisions.

Likewise, it is essential to continue ecology education efforts and to encourage society's participation in the development, evaluation, and supervision of policies.

Eleventh: Ladies and gentlemen and all friends:

These are the ten main points of the Economic Reactivation and Sustained Growth strategy that I propose today.

We will begin a new stage of development in Mexico with these ten points. Starting with advances in stabilization and structural changes, and on the basis of what has already been achieved, we will boost a strategy that encourages production, employment, and remuneration.

Conditions are now right to boost our country's growth. My proposal takes advantage of what has already been done to encourage economic activity, basing it on broad social participation with clear rules and fair treatment. To implement the proposal we shall consolidate the appropriate government support so that society's initiatives become viable projects.

It is essential that a legal framework exist to effectively protect people, both physically as well as morally. Economic growth, the same as social development, is not possible without legal security. It is especially necessary to guarantee contractual obligations and property rights. Legal security on legitimate property rights of all social groups, is an essential condition for growth.

I am convinced that we cannot postpone the decentralization of duties, which today the federal government conducts to address the demands and raise the standard of living of Mexican families.

Mexico must begin the 21st century with a renewed federalism, a fuller federalism, founded on strengthening the municipality, nurtured by the vigor of the states, and backed by a genuine division of government branches, and a government program close to citizens and responsible to them.

It is not enough to propose a simple tax reform. We need to redesign the entire system to achieve a new federalism, which is essential for overall economic growth in all areas.

We should transfer to municipalities and states the power, authority, effective means, and especially resources, which can then be turned into decisionmaking power and capacity. This is my pledge.

It is imperative that we recover the road to growth right from the next administration's first year. The strategies I proposed today guarantee this. Bolstering public and private investment will allow the 1995 GNP to grow to at least twice the rate of the population growth.

At the same time, by consolidating support for the export sector we can forecast vigorous growth through greater deregulation, new incentives, simplified taxes, and a favorable international market climate. We will create during the next six-year period the million jobs a year the population demands, and we will do this with greater investment and increased exports .

Today, I reiterate that our economic future demands special incentives for micro-, small-, and medium-sized businesses. These already generate 60 percent of the country's productive jobs and we should encourage their multiplication and expansion to become a dynamic boost for economic growth. This is why I proposed before the country's small businessmen a specific program to encourage their participation in the Mexican economy.

Our experience, and the experiences of other nations who have implemented successful growth strategies, clearly show that there is no miraculous recipe; there are no spectacular measures that lead to development overnight. The formula to accomplish sustained growth is based on ensuring that the daily endeavors of all Mexicans be more productive. If we move in the right direction, spectacular results will be everyday occurrences at factories, and among peasants, workers, technicians, executives, and employees.

During this political campaign, others have been making demagogic proposals to garner more votes, knowing quite well that their proposals are unrealistic. This is not the case with the PRI.

As my party's candidate, I propose an economic strategy of production and growth encouragement, based on realistic and reliable ground rules. This reactivation and growth strategy can be financed properly with the savings from the efforts of society and with revenues from economic growth. My proposal is closely related to fiscal accountability and economic stability.

This strategy includes the apprehensions, needs, and proposals of every social group, and it will be further enriched with the participation of all of you. I invite you all to do your share, and improve this strategy with your knowledge and your experiences. This proposal is open to every evaluation, and additional recommendations by the organizations represented here. I invite you all so that together we may transform this proposal into a shared government program. This proposal will benefit us all. This proposal will benefit Mexico.

The government efforts I plan to lead will be aimed at ensuring that the daily needs of all households are met by creating more employment and better wages. Gone are the days when state initiative meant indiscriminate participation in all productive activities. Today, the state must be society's partner in promoting economic growth.

We Mexicans do not want to remain indecisive in a world that is rapidly changing and which no longer permits any wavering or steps backward. We Mexicans do not accept brazen criticism that proposes nothing. We are not going to build the Mexico of the future with proposals that only destroy what we have accomplished.

We Mexicans do not accept proposals that entail building a hollow Mexico that does not acknowledge our history, our workers' accomplishments, as well as the predominant role of women in our society.

We Mexicans do not accept the pessimism of those who believe that our country is about to fall into a crisis, uncertainty, and violence. We Mexicans do not accept any paralyzing skepticism by those who would rather cross their arms instead of facing the challenges that lie ahead.

I view the future with optimism. Mexico has problems which we clearly and honestly acknowledge as a starting point to solve them. Additionally, with each campaign day, it is acknowledged more and more that the PRI is the party that offers the best platform, the best proposals, and the best men and women to implement them.

Today, more than ever, Mexico seeks unity. Today, more than ever, Mexico looks toward the future with optimism, steadfastness, and conviction. Today, more than ever, we are facing a clear path that will lead to growth and wellbeing.

Let us all together build a Mexico of sovereignty and development, development and welfare, welfare and justice. Let us all build a prosperous Mexico which today is practically within our grasp. Let us all build a Mexico our children deserve. Let us do it with everyone's participation and commitment.

Today, before you, I ratify this. That is my commitment, and I intend to fulfill it. Viva Mexico!

Tello Urges OECD To Assume Economic Leadership

PA0906224394 Mexico City Canal 13 Television Azteca Network in Spanish 1300 GMT 9 Jun 94

[Report by Milina Villasana from the "Early Morning" newscast]

[Text] Foreign Relations Secretary Manuel Tello has proposed on behalf of Mexico that the OECD assume international leadership in search of solutions to world economic problems. Mexico participated at the OECD meeting in Paris as the 25th member this organization. Tello presented to the organization's Council of Ministers an initiative that was backed by representatives from Sweden, Finland, Canada, and Spain.

On the last day of meetings, the Mexican foreign secretary asked the OECD to analyze the pertinence of institutions created as a result of the Cold War to prevent a duplication of efforts and to make operations more efficient. He said the organization is prepared to initiate a global analysis of the international economic cooperation system.

At the conclusion of the meeting, OECD President Jean Claude Baye said in a document that Mexico's membership in the OECD is a wonderful development. The OECD president added that OECD members view the beginning of a new phase of development for the organization and are pleased with Mexico's contribution.

This is the first time Mexico has participated as a full member since it officially joined the organization in April. The OECD includes the world's most industrialized countries.

Spanish Minister Interviewed on ETA Operations

PA0906211094 Mexico City XEW Television Network in Spanish 0430 GMT 9 Jun 94

[From the "24 Hours" newscast]

[Text] There is increasing evidence that the ETA [Basque Fatherland and Liberty] could be operating in Mexico. New Spanish Justice Minister Juan Alberto Belloch's priority is to eliminate ETA terrorism. As for the ETA's presence in Mexico, the minister said it does exist and that its members could be active.

[Begin recording] [Belloch] We have suspicions. We and the Mexican authorities have nothing more than suspicions. We suspect that some of them could be active ETA militants.

[Unidentified reporter] What do you mean when you say active ETA militants?

[Belloch] They are people who have connections with the criminal organization and are potentially capable of providing economic support and could even cooperate with other terrorist groups, both in Mexico and Latin America. They could be planning to use Mexico as a springboard. The importance of Mexico in this regard is evident and they could be tempted to use Mexico as they did France. They may want to create an operations base with alliances with other forms of terrorism, adversely affecting both Mexico and other countries of Central America and Latin America. [end recording]

He added that he wants to visit Mexico to meet with his Mexican counterpart and exchange viewpoints.

[Begin Belloch recording] There is great interest in visiting your country. I would like to have a relationship similar to the one we currently have with France in the analysis of this topic. I believe it is appropriate to take preventive actions instead of waiting for them to consolidate a stable base in Mexico, which Spain and Mexico both are evidently not interested in. [end recording]

Belloch said it is not possible for the ETA to carry out attacks in Mexico today, but if the problem is not dealt with now, it could do so in the future.

The truth is that since last week, when Spanish Justice Minister Juan Alberto Belloch traveled to Paris to meet with his French counterpart, Charles Pasqua [name as heard], the efforts to fight terrorism have been greatly intensified even though they had reached a high level in the past few years, especially since 1984. In the last few days, heavy blows have been dealt to the ETA with new arrests.

Roundup of Electoral Developments

PA0906185594

[Editorial Report] The following is a compilation of reports on developments related to the elections scheduled for 21 August.

Through 31 May, the National Action Party, PAN, spent 12.5 million new pesos. The PAN urged the other parties to publicly disclose their finances and stated that it has well-founded doubts regarding financial reports presented by the Institutional Revolutionary Party, PRI. In Chiapas, 60,000 people left the Party of the Democratic Revolution, PRD, to protest the way party leaders nominated candidates. (Mexico City XEW Television Network in Spanish 0430 GMT 7 Jun 94)

On the occasion of Freedom of the Press Day on 7 June, PRD presidential candidate Cuauhtemoc Cardenas Solarzano signed a document advocating the creation of a pluralistic social communication council that would guarantee freedom of expression. Cardenas said freedom of the press in Mexico is still very limited. Labor Party, PT, presidential candidate Cecilia Soto Gonzalez said she received death threats last week. She rejected that such threats could affect the coming elections, however. (Mexico City Radio ACIR Network in Spanish 0000 GMT 7 Jun 94)

PT's Soto underscored during a meeting with teachers that only a coalition government will be able to meet the needs and demands posed by Mexico's current situation. As for the skirmish between PAN and PT militants over destruction of PT political propaganda by PAN followers in Durango, Soto noted that the PAN attitude is censurable. (Mexico City Radio ACIR Network in Spanish 0000 GMT 9 Jun 94)

Also on Freedom of the Press Day, the presidential candidates made an unprecedented joint appearance before the media. PRI candidate Ernesto Zedillo indicated that there are two candidates who seek to tarnish Mexico's image. He added that Mexico has problems, but it also has victories and great potential. Intolerance should not prevail and there is intolerance when constitutional reforms that have received the support of most

Mexicans are being criticized, he added. Zedillo criticized Cardenas' intolerance and uncivilized attitude while urging his opponents to hold "personal dialogues" to ensure clean elections.

Alvaro Perez Trevino, candidate for the Authentic Party of the Mexican Revolution, stated: "I will not invest a penny for glory. We will strive so Mexicans have a guaranteed access to jobs, health care, welfare, and education."

Popular Socialist Party candidate Marcela Lombardo said it is unfair to try to establish a bipartite system in Mexico, and Mexico wants a genuine democratic regime to strengthen its sovereignty.

The PRD's Cardenas denounced the existence of shady relations between the government and some media, and accused private television of becoming one of the pillars of the PRI. Cardenas also accused the PAN of condoning the alleged "electoral fraud" that gave the victory to President Salinas in 1988.

National Opposition Union candidate Pablo Madero stressed: "Democracy feeds on tolerance and respect for the will of people. The tripartite system seeks to trade with the popular vote."

Rafael Aguilar, candidate for the Cardenist Front for National Reconstruction Party, claimed that following the last debate, there was a feeling that an arrangement outside the popular will had been concocted. In this arrangement, the PRI secured the presidency before 21 August while the PAN and the PRD candidates obtained the first and second vice presidencies beforehand.

Mexican Green Ecologist Party candidate Jorge Gonzalez argued: "Mexico demands justice, honesty, democracy, and congruity in politics and public administration. Colosio's case has become a mockery of Mexicans. The corruption that pervades the police force and the judicial system is becoming unbearable."

PT's Cecilia Soto said: "I want to urge you to build a bridge so that Mexicans can overcome apathy, intolerance, and the inability to conceive a new way of life for Mexicans." (Mexico City Radio ACIR Network in Spanish 0000 GMT 8 Jun 94)

The private sector has voiced mixed views regarding the 10-point proposal presented by Ernesto Zedillo. The Mexican Council of Businessmen stated the proposal was clear and precise and that it will lead Mexico to steady growth in 1995.

Meanwhile, Raimundo Artiz, president of the National Processing Industry Association, said Zedillo's presentation was just a campaign speech and will not help solve the economic problems. Artiz added that if the PRI candidate wins, Mexico's economic prospects will be even worse than those of the last six years.

Salvador Lopez, president of the National Chamber of Commerce, noted that it was too soon to voice an opinion on Zedillo's proposal while urging the remaining candidates to present their proposals for the benefit of the public.

Eduardo Bours, president of the National Agricultural-Livestock Council, said Zedillo's proposal is part of a great national concern to give the countryside the significance it deserves because it suggested viable solutions that will help this sector grow. (Mexico City UNOMASUNO in Spanish 8 Jun 94 p 12)

Rafael Aguilar Talamantes, presidential candidate for the Cardenist Front for National Reconstruction Party, has visited Veracruz and said Mexicans are prepared for change and demand respect for the people's vote. Aguilar said there are favorable conditions for peace and social calm for the elections. (Mexico City Radio ACIR Network in Spanish 0000 GMT 4 June 94)

Cuauhtemoc Cardenas Solorzano, presidential candidate for the Party of the Democratic Revolution (PRD), has initiated a three-day tour of Puebla and Oaxaca States. In Acatlan, Cardenas has said the region has been abandoned and needs schools, rural roads, and irrigation works. (Mexico City XEW Television Network in Spanish 0430 GMT 4 June 94)

Diego Fernandez de Cevallos has visited Hermosillo, Sonora State, to meet with newspaper editors. He also visited neighborhoods in southern Hermosillo. As to the Colosio case, Fernandez said the final word has not been given, adding it is a very difficult crime to solve. (Mexico City XEW Television Network in Spanish 0430 GMT 4 June 94)

Jorge Gonzalez Torres, presidential candidate for the Green Ecologist Party, has visited (Tlamanalco Municipality), Mexico State, and said one or two debates are not enough to discuss the great problems the country faces. Gonzalez has said at least three debates are necessary. (Mexico City XEW Television Network in Spanish 0430 GMT 3 June 94)

Gonzalez has visited Puebla and discussed problems in the agricultural sector. He discussed problems rural workers face throughout the country. (Mexico City Radio ACIR Network in Spanish 0000 GMT 4 June 94)

During a news conference, Marcela Lombardo Otero, presidential candidate for the Popular Socialist Party, has called on all Mexicans to denounce those who may try to promote violence during the 21 August elections. (Mexico City XEW Television Network in Spanish 0430 GMT 4 June 94)

Pablo Emilio Madero, presidential candidate for the National Opposition Union, has continued his campaign in Jalisco, where he met with a political committee and local media. Regarding the Colosio assassination, he has said: "It all seemed to indicate it was a plot, but to say it was an assassin who acted alone is a simplistic view." (Mexico City XEW Television Network in Spanish 0430 GMT 4 June 94)

Cecilia Soto, presidential candidate for the Labor Party, has visited Guadalajara and protested because her party has been excluded by the Government Secretariat from holding negotiations on political reform. (Mexico City XEW Television Network in Spanish 0430 GMT 4 June 94)

PRI presidential candidate Ernesto Zedillo has announced in Tlanepantla Municipality, Mexico State, one of the most industrialized in the country, he will implement a policy for the creation of jobs. "My intention is to draft an economic policy to promote investments because investments generate stable, productive, well-paying jobs," Zedillo has said. He added his biggest challenge will be to create 10 million jobs before the year 2000, when all fiscal and tax obstacles faced by businessmen should be eliminated. (Mexico City XEW Television Network in Spanish 0430 GMT 3 June 94)

Zedillo had a breakfast meeting with members of the Permanent Agrarian Congress in Mexico City. During the meeting, Zedillo said the crisis in the countryside has produced sad faces, discouragement, and even violence, as in the case of Chiapas. Zedillo said peasants do not understand the Program of Direct Support to the Countryside. He said the government should stop subsidizing poverty and the state should end paternalistic policies. (Mexico City Radio ACIR Network in Spanish 0000 GMT 4 June 94)

Speaking to university students from public and private high schools, Zedillo said differences can be overcome through dialogue and debate, adding that pressure by inflexible minority groups do not scare him. Zedillo also talked about the environment and said he who contaminates it should pay for the damage, and he who protects the environment must be rewarded. (Mexico City Canal 13 Television Azteca Network in Spanish 1300 GMT 6 June 94)

Zedillo has promised a 10-point program to foster investment and economic growth in Mexico. Zedillo explained the program during the Economic Growth for Family Well-Being Forum held in Mexico City. He said: "Mexicans have made great efforts to stabilize the economy in an unprecedented process of sacrifices by all." (Paris AFP in Spanish 2212 GMT 6 June 94)

El Salvador

Observer To Be Sent to U.S. Soldier's Court-Martial

PA0906231394 San Salvador LA PRENSA GRAFICA in Spanish 9 Jun 94 p 13

[Excerpts] Jose Mauricio Rodriguez, the human rights coordinator for the Prosecutor General's Office, yesterday announced that the court-martial that will handle the case of Ismael Lopez, a U.S. soldier accused of murdering a Salvadoran citizen, will take place in Panama City from 27 June to 1 July.

He said the Prosecutor General's Office will send a representative to Panama (U.S. Southern Command Headquarters) to observe the process, following an invitation from the U.S. Government. Major Lopez, a member of the military detachment assigned to the U.S. Embassy in this country, has been accused of murdering his 54-year-old bodyguard, Crescencio Diaz. [passage omitted]

The trial will begin within the next few days, and a Prosecutor General's Office delegate will attend it to observe the process, which will be handled by U.S. military officers.

According to the human rights coordinator, the investigations conducted by Salvadoran judicial authorities will be taken into account, but these authorities will not get directly involved in the court-martial. The prosecutor, who is a military officer, and the defense attorney will cite the findings of the Salvadoran investigations.

The Prosecutor General's Office also announced that Maj. Lopez will be tried on charges of murder and eight other felony counts. Fifteen days after the trial ends, the final verdict will be known; that is, we will find out whether he was acquitted or convicted.

At the time of the incident, Lopez was working as a military adviser to the Salvadoran Armed Forces and had diplomatic immunity.

Group Threatens Human Rights Ombudsman

PA1006012894 San Salvador Canal Doce Television in Spanish 0300 GMT 7 Jun 94

[From the "Up-to-Date" newscast]

[Text] It was reported this afternoon that a clandestine group—the self-proclaimed Domingo Monterrosa Command—has issued a death threat against Human Rights Ombudsman Carlos Mauricio Molina. Molina, however, denied that he himself received the death threat, but he did not rule out the possibility that such a threat had indeed been made. According to news agencies reports, Molina was given 48 hours to leave the country, or he will be executed.

[Begin Molina recording] I cannot rule out the possibility that the threat, which was uttered by people who oppose peace and the country's stability, might be serious. [end recording]

Molina added that despite the threat he is willing to remain in his post, because he has made a pledge to the people and intends to fulfill it. He also said he will open an investigation to identify the individuals behind the threats—individuals he said should be considered enemies of peace.

[Begin Molina recording] The threats against several Jesuits do not contribute to the peace process whatsoever. Instead, each voice that calls for violence undermines the present trend toward peace. [end recording]

A communique signed by the Domingo Monterrosa Command and reported by various news agencies also contains death threats against the attorney general, the president of the Judiciary Council, Jesuit priests, and Luis Gomez Zarate for his criticism of the Supreme Electoral Tribunal.

Honduras

Foreign Minister Stresses OAS Role in Haiti

PA1006031994 Panama City ACAN in Spanish 0118 GMT 10 Jun 94

[Text] Tegucigalpa, 9 Jun (ACAN-EFE)—Honduran Foreign Minister Ernesto Paz Aguilar today declared that the American nations must work within the framework of the OAS and remain "flexible" in dealing with the situations in Cuba and Haiti.

Upon his return to Honduras, Paz also said the 110 members of the Nonaligned Movement support Honduras' candidacy for the UN Security Council seat, which is up for election in October.

During the recent nonaligned meeting in Egypt, Paz was invited to visit Cuba by his Cuban counterpart, Roberto Robaina. The Honduran minister would not say whether he had accepted the invitation.

The foreign minister said: Cuba must show signs of democratization in order to return to the OAS, and the rest of the inter-American community must be "flexible" in efforts to normalize the Cuban and Haitian situations.

He noted: "We support the democratization process in Cuba and the restoration of democracy in Haiti." The foreign minister indicated that both cases must be resolved peacefully within the framework of the OAS.

In the case of Haiti, the United States has proposed that Central America become a sanctuary for those fleeing from Haiti, but at the last meeting of the region's presidents, Honduran President Carlos Roberto Reina said the United States "called on the wrong place."

In Honduras' Caribbean region, there are more than 50 Haitians who do not want to stay in the country and have asked the government for visas to travel to either the United States or Canada.

Honduras broke diplomatic relations with Cuba in the 1960's.

Bank Announces Controls To Stabilize Currency

PA0906222994 Panama City ACAN in Spanish 1726 GMT 9 Jun 94

[Text] Tegucigalpa, 9 Jun (ACAN-EFE)—The Central Bank of Honduras [BCH] today announced strong control measures on the U.S. dollar exchange system so as to stabilize the value of the lempira, which has dropped by 13.5 percent in relation to the official exchange rate of 7.27 lempiras per dollar in the past few weeks.

BCH President Hugo Noe Pino said that the pressure on the local currency and the economy is caused by "speculation" by private exchange brokers, and that these brokers "are a source of exchange instability."

The BCH keeps the official exchange rate at 7.27 lempiras per dollar as a means of taxing imports, but the dollar is sold at the rate of 8.41 lempiras on the black market, making it impossible "to estimate a balanced average," Pino said.

He said "strong" measures will be taken to control the foreign currency market. He declined to mention the regulations that will be added to other monetary decisions.

The government implemented control in late May on 50 percent of the U.S. dollars the exchange system accumulated. The government forces exchange brokers to sell 40 percent of their dollars to the BCH, according to experts, so as to bolster international reserves and to be prepared to face foreign debt amortizations.

Pino said the BCH will announce next week the new monetary measures that will effect stability and an inflow of Honduran exporters' dollars presently deposited in foreign banks.

Authorities estimate approximately $1.5 billion belong to Hondurans who are waiting for monetary stability before transferring the money to Honduras are deposited in U.S. banks.

The assembly plant industry, which brings between $70 million and $100 million annually from exports, will have to report its dollars to the BCH, Pino said.

Honduran dollars are transacted through the formal banking system, the exchange brokers, who buy and sell dollars exclusively, and the black market, which the central banking system does not regulate.

Argentina

Chilean Foreign Minister Views Border Issue

PY0906145094 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2243 GMT 8 Jun 94

[Text] Buenos Aires, 8 Jun (NA)—Chilean Foreign Minister Carlos Figueroa Serrano stressed on 8 June that his country "is not reviewing" the possibility of resorting to international arbitration over the Continental Glaciers issue while the treaty is under discussion by the two countries' Congresses.

The Chilean foreign minister made this remark during a news conference at Government House after a one-hour meeting with President Carlos Menem and Foreign Minister Guido Di Tella.

During the meeting, which he described as "cordial and very positive," Figueroa Serrano presented Menem with Chile's proposal to join Mercosur [Common Market of the South] as an "independent country." Mercosur is an integration process involving Argentina, Uruguay, Brazil, and Paraguay.

The visiting minister denied that during the meeting they reviewed aspects of a ruling the Rio de Janeiro Arbitration Court will have to issue within a few months on the Laguna del Desierto border conflict.

Instead the Chilean foreign minister extensively discussed the Continental Glaciers treaty and said his country "is not reviewing" the possibility of resorting to international arbitration.

Figueroa Serrano pointed out: "We have not discussed this issue, despite the fact that it is a formula that was included in the 1984 Peace and Friendship Treaty, because Chile's and Argentina's position is that here there is a proposed treaty that settles the Continental Glaciers border problem."

Figueroa Serrano added that this solution "seems to be fair and compatible with the terms of the border treaties between Chile and Argentina and this is under discussion by the Congresses."

Figueroa Serrano emphasized: "We do not want to consider any other alternative contemplated in the 1984 treaty while this issue is under discussion by the two Congresses."

Figueroa added that during his meeting with Menem, "we reviewed the relationship between the two countries and were able to confirm the excellent level of our current relations."

Figueroa Serrano immediately emphasized the "very close relationship" existing between President Carlos Menem and President Eduardo Frei, who will have a chance to meet again in mid-June during the Fourth Ibero-American Summit in Cartagena [de Indias in Colombia] and, subsequently, on 25 and 26 August during a new working visit that the Argentine president will pay to Santiago.

President Menem Sends Greetings to Castro

PY0906231894 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1329 GMT 9 Jun 94

[Text] Buenos Aires, 9 Jun (NA)—During an audience with Cuban Ambassador to Argentina Miguel Brugueras del Valle, President Carlos Menem today sent "greetings" to Commander Fidel Castro.

This was reported to the NOTICIAS ARGENTINAS news agency by people who attended the meeting, in which the Cuban diplomat said goodbye to Menem after completing his mission in our country.

In an attempt to inquire as to the condition of the Cuban leader, with whom he has great disagreements at a political level, Menem asked Brugueras del Valle: "How is the commander?"

"He is very well," responded the diplomat, after which Menem asked him to convey his greetings to the Central American island's chief executive.

Officials View Trade Deficit, Solutions

PY0906165894 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1723 GMT 9 Jun 94

[Report by Daniel Naszewski]

[Text] Buenos Aires, 8 Jun (NA)—The trade deficit registered in the first four months of 1994 has really surprised analysts. They knew it would be high. Domingo Cavallo anticipated that this year's deficit would be bigger than the 1993 deficit, but when the figure—$2.405 billion—was announced it caused concern because it shows the deficit for the year will not just be "somewhat bigger" than last year; it will much bigger than last year. The trade deficit for the whole of last year totaled $3.7 billion, which is only a little more than the deficit for the first four months of this year.

The most "optimistic" projection based on this figure is a year-end deficit of around $5 billion—the Economy Ministry calculated it at $4.7 billion—while "pessimistic projections" estimate it at $8 billion, or even $10 billion if the current feverish import drive continues while exports increase at a much slower pace.

Very few people think the figures will reach those levels because the Economy Ministry will probably do something to slow the process. Cavallo's team is actively preparing a way to achieve the effects of a currency devaluation without a devaluation, or to improve the real foreign exchange situation without changing the nominal exchange rate in an attempt to rapidly enhance exports.

It is clear that the most reasonable path, within the series of alternatives that the Economy Ministry is studying, is

to increase our exports, not to try to reduce imports. The economic opening is conceptually based on the principle of encouraging imports as well as exports in order to insert the economy in the competitive international world market where each country tries to produce only those consumer goods it can produce in the most competitive way and import the rest from other countries. The classic idea of specialization continues to be amazingly logical, particularly now that transport and communications are cheaper and more efficient.

Thus, it seems improbable that the Economy Ministry will do much to slow the import drive unless it becomes absolutely necessary to prevent problems worsening in the productive structure or to slow down a potentially explosive trade deficit.

We can see that an increasingly large slice of our imports are in capital goods, which clearly shows that the country is allotting more and more resources to improving production and growth. The latest figures on the import of capital goods are those of the first quarter. They confirm that more than 30 percent of our imports consist of equipment, machinery, and other capital goods used to reequip productive activities in agriculture, industry, and services—principally communications.

This is consistent with data on internal savings and investments, which is around 18 or 19 percent of the GDP, compared to 14 percent at the end of the 1980's when hyperinflation and stagnation pushed investment levels to its lowest level in decades.

The trend confirms that Cavallo is not thinking of severely restricting imports, unless the situation becomes intolerable. He needs imports to sustain the economy's future growth. Thus, the most logical path is to continue creating ways to increase exports. Some mechanisms are already in place, besides tax returns, among them reimbursements for exporting manufactured products. The result is clear: During 1993, industries exported 28 percent more than in 1992.

The economic team is currently working on ways to reimburse producers of agriculture products. We will have news in this area shortly. In the proposal, products with higher added value will benefit the most. The logic is simple. We must export products that use relatively cheap and abundant national raw materials with the highest possible level of industrialization. One objective is to industrialize agriculture activities, a goal that was many times proposed but never adequately instrumented, partly due to prejudices over the "irrelevant" idea of exporting food in a world where "the fashion" is to export sophisticated manufactured goods. If Cavallo can encourage agriculture industrialization the same way he has done with industries, we will be able to say that the two-way opening, the only possible path, has begun to work.

Bolivia

Aranibar Views Indigenous Meeting's Resolutions

PY1006031394 La Paz LA RAZON in Spanish 3 Jun 94 p A9

[Text] Foreign Minister Antonio Aranibar announced yesterday that the government will firmly promote the resolutions issued by the International Decade of the World's Indigenous People preparatory meeting held in Cochabamba. This meeting was attended by 120 representatives from Latin America and the Caribbean.

Aranibar asserted that these resolutions will play a relevant part in Bolivia's foreign policy. He said that the indigenous issue has become a stable and constant issue of discussion in Bolivia. Aranibar added that this reflects the important changes that have taken place in our country, and how much Bolivia can contribute at the Latin American and world level.

The resolutions approved at the meeting in Cochabamba are the result of a consensus achieved between government representatives, delegates from the various indigenous groups, and nongovernmental organization delegates.

According to Aranibar the document is based on the need to build a new order of relations between governments and indigenous peoples of the Americas.

Bolivia will raise the issue at both the OAS Assembly meeting, to be attended by the foreign minister; and at the Cartagena Ibero-American Summit to be attended by President Gonzalo Sanchez de Lozada.

The meeting in Cochabamba also decided to request those governments of the Americas that signed the agreement establishing the Indigenous Fund to expeditiously approve this agreement, so that it may implemented as soon as possible.

Aranibar said: "On behalf of President Sanchez de Lozada, I expressly request the cooperation of government delegates and indigenous group representatives so that the Indigenous Fund might become a reality. This agreement is a victory by the indigenous peoples of the Americas, and Bolivia is interested in implementing it."

The preparatory meeting sought to unify the criteria of Latin American and Caribbean countries on the issue before presenting it to the United Nations. The meeting was closed on 1 June by Vice President Victor Hugo Cardenas and Foreign Minister Aranibar.

Minister, Officials Resign To Secure Impeachment

PY1006034694 Madrid EFE in Spanish 0051 GMT 10 Jun 94

[Text] La Paz, 9 Jun (EFE)—Bolivian President Gonzalo Sanchez de Lozada today announced that Marcelo Cespedes Gutierrez has been appointed the new labor minister. Gutierrez replaces Reynaldo Peters, who resigned today.

Peters' sudden resignation can be added to those of Luis Lema, Bolivian ambassador to Argentina; and Jorge Otasevich, the congressional and political affairs under secretary, both of whom resigned today.

Ernesto Machicao, minister of social communications, explained that the resigning government officials will replace those senators who have been objected to in the ongoing impeachment process against the suspended president and senior justice of the Supreme Court.

The impeachment process against Supreme Court President Edga. Oblitas and Senior Justice Ernesto Poppe is in its final stages after an anguishing process in the Chamber of Deputies and the Senate. This is the first effort made to establish a precedent in the battle against corruption undertaken by the Sanchez de Lozada administration.

The defense objected to several of the senators from the ruling Nationalist Revolutionary Movement (MNR). In view of this there was a risk that the two-thirds of the votes necessary to approve the impeachment would not be achieved.

With the votes of Peters, Lema, and Otasevich, the MNR will be able to secure the majority of votes necessary to approve the impeachment process.

La Paz Archbishop Harshly Criticizes Government

PY0906171294 La Paz HOY in Spanish 3 Jun 94 p 5

[Excerpt] The Bolivian Catholic Church, which has maintained a "protest silence" over amendments to the education system, spoke out during the Corpus Christi celebrations yesterday. In a homily against the government, it demanded that society be allowed to participate in the drafting and application of laws to change the country.

In a homily to celebrate Corpus Christi, La Paz Archbishop Luis Sainz Hinojosa said: "A better distribution of wealth, a real opening to allow the participation of society, and the drafting of a modern education system requires the participation of all Bolivians."

President Gonzalo Sanchez de Lozada and Vice President Victor Hugo Cardenas, who attended mass accompanied by their wives and ministers of state, listened carefully to the Archbishop's homily.

From the pulpit, Sainz Hinojosa faced the highest Bolivian authorities. He did not miss the opportunity to ask the government to focus its attention on "improving salaries and job opportunities, and thus improving the living standards of the Bolivian people."

He reiterated the demands of the Bolivian Episcopal Conference Education Commission, whose main representative protested because the National Education Council (Coned) drafted alterations to the Education Reform Framework law.

Referring to the amendment—which was made without any consultation—to the framework law that was submitted to Congress for approval, Sainz stated: "The Education Reform, which will change the education of our people, is a national priority and a social responsibility that needs the unselfish participation of all."

The points about making municipalities responsible for the education service, eliminating teachers schools, and the drafting of an ideological and political framework for the education system are the most controversial points confronting the government and the involved sectors that are against them.

Aware of the problems affecting Bolivian society, the La Paz archbishop urged Bolivians to reconcile their viewpoint in favor of the unity of the country, which is affected by a serious economic crisis.

As he stared at the government officials praying before the alter, Sainz said: "The Body of Christ invites us to be united, to cooperate, to wholeheartedly serve our people who must be rescued from so much slavery, so many sins, and so much corruption." [passage omitted]

FELCN Official Rejects Extradition to U.S.

PY1006002594 La Paz LA RAZON in Spanish 1 Jun 94 p A13

[Excerpt] Cochabamba, 1 June (ANF)—Colonel Hugo Guarachi, Special Antinarcotics Force (FELCN) department commander, has rejected the possible extradition to the United States of Jose Luis Seleme, the owner of several night clubs and an alleged drug trafficker.

Recent reports in Cochabamba have stated that Seleme's working capital totals at least $7 million. FELCN personnel arrested Seleme at dawn on 27 May for his ties with international drug trafficking rings. [passage omitted]

Brazil

Budget Spending Provisions Believed Inaccurate

PY0806210394 Sao Paulo FOLHA DE SAO PAULO in Portuguese 7 Jun 94 Section 1 p 4

[Article by Gustavo Patu and Monica Izaguirre]

[Text] Central Bank [BC] figures have cast doubts over the possibility that the government will be able to balance its accounts, as is provided for in the Union's budget for 1994 and in the Real Plan.

According to BC estimates that were made available to FOLHA, interest payments on the foreign and domestic debts will surpass the $7.7 billion budget provision.

The BC estimates that such payments will amount to 2.1 percent of the GDP (gross domestic product, or the goods and services produced by the country). This percentage amounts to from $9 billion to $10 billion, depending on the GDP figure.

This difference is enough to make government spending surpass the income provisions of the 1994 budget. In the budget bill submitted to Congress, government spending and income are equal.

Balancing government accounts is considered a foundation of the Real Plan, as it will prevent the government from printing money or contracting debts to pay its expenses.

The BC estimates were made in February and, according to BC technicians, they were not updated. The budget provision for paying the interest on the debt has remained unchanged since December.

PMDB [Brazilian Democratic Movement Party] Deputy for Sao Paulo Barbieri, the rapporteur of the budget bill in the Chamber of Deputies, also suspects that the budget provision for repaying the debt is underestimated.

In a preliminary report, Barbieri said it was "very strange" that the $7.7 billion provision made in December had not been modified to match the rise in interest since the beginning of the year.

Since the end of 1993 interest rates have risen from about 17 percent annually above inflation to more than 30 percent. The domestic debt grew from $48 billion to $53.5 billion.

The IMF mission that looked into the government accounts in March shared this distrust.

The IMF considered that spending was underestimated and that part of the budget income was overestimated. The IMF preferred not to conclude an agreement with Brazil.

Concern Over Interest Rates Under Real Viewed

PY0806223394 Sao Paulo AGENCIA ESTADO in Portuguese 2347 GMT 7 Jun 94

[Article by Beatriz Abreu]

[Text] Brasilia, 7 Jun (AE)—Finance Minister Rubens Ricupero has asked his economic team to draft alternative measures to prevent a sharp increase in interest rates during the first months of the economic program. Ricupero is very aware of President Itamar Franco's concern about this issue. Franco has questioned high interest rates and wants to stave off a possible conflict with Planalto Palace over the establishment of interest rates in real terms (above the inflation rate). The launching of the real is only some 20 days away and the finance minister and his team are still trying to explain to President Franco that the success of the Real Plan will be in jeopardy unless the government implements a tight monetary policy (restraint on money supply). A member of the economic team conceded that "the question of interest rates has long been on the mind of the president and the finance minister."

According to government advisers, the president has on several occasions voiced concern about this issue to Minister Ricupero. A member of the economic team noted: "It did not reach the point where the president requested the team's resignation." Experts believe Franco's concern is normal and insist that "Ricupero does not champion high interest rates either." They recall, however, that this is a delicate question, since it led to the resignation of former Central Bank President Paulo Cesar Ximenes, a staunch advocate of high interest rates.

The members of the economic team believe, from a technical standpoint, it is not advisable to implement low interest rates during the first months of the Real Plan. They are seeking alternatives also to counter a possible signal that the government is betting on an economic downturn in the country until the end of the year. Ricupero has been pressured from all sides to desist from implementing a sharp increase in interest rates as of 1 July. During his weekly meeting with businessmen, they asked the government not to establish high interest rates because it would only contribute to a renewed recession. Ricupero's response has been the same for weeks: "The plan will not foster a recession."

Ricupero has discussed with Franco and entrepreneurs a concern raised by economists. According to the minister, high interest rates are necessary to prevent speculation on the financial market rather than to check consumption. "Those in favor of high interest rates are afraid of a movement of financial assets," he stated. His aides believe $6 billion, which has been invested in the financial market, may easily be funneled into other investments such as gold, the dollar, and real estate, thus jeopardizing the success of the economic plan.

Chamber of Deputies Approves Antitrust Law

PY0806220294 Sao Paulo AGENCIA ESTADO in Portuguese 0134 GMT 8 Jun 94

[Text] Brasilia, 7 Jun (AE)—The Chamber of Deputies tonight approved, through an agreement among party leaders, the new law punishing economic power abuse, the so-called antitrust law. After lengthy negotiations among party leaders, in which the government also participated, congressmen voted on the bill that had been waiting to be voted since April 1993. The bill now passes to the Senate. Senate President Humberto Lucena (PMDB-PE) [Brazilian Democratic Movement Party-Pernambuco] said that voting will take place next week. President Itamar Franco threatened to promulgate a provisional measure with the new legislation if Senate does not approve the bill by the end of this week.

Chamber of Deputies President Inocencio de Oliveira (PMDB-PE) did his best to ensure an accord among the parties to make voting feasible. The PPR [Progressive Renewal Party], however, opposed the bill and requested a postponement of the voting. Oliveira and PPR leader Marcelino Romano (SP) [Sao Paulo] quarreled during the plenary session when Oliveira prevented Romano

from using the microphone. Oliveira then excused himself because he needed the presence of PPR deputies to be able to begin voting.

Romano pointed out an unconstitutional aspect of the bill, because it transforms the Administrative Council for Economic Defense (CADE) into a self-supported government organization in the same text as it defines a series of economic power abuse cases and punishment of people and companies that perpetrate them. In spite of this the bill was approved without modifications. The seven members of the CADE, including its president, will be appointed by the president of the Republic and, after their names are approved by the Senate, will have a two-year mandate.

The accord reached today between the government and the party leaders reduced the maximum fine to be applied to companies guilty of economic power abuse. Instead of paying of between 10 and 50 percent fees of their gross profits, as contemplated in the original text, the fine was reduced to between 1 and 30 percent, at the request of congressmen. The index for participation in the market, which defines market monopoly, was increased from 20 percent to 30 percent. The CADE can prevent the merging of companies that result in creation of oligopolies in the market. The CADE has 30 days to announce its decision in each case. The text states that preventive arrest of entrepreneurs responsible for economic power abuse can be requested as long as there evidence against them. This sanction, however, will only be applied to crimes against the economy order and no longer against the people's pockets, as previously contemplated.

Companies, including the state-owned ones, that do not respond to requests for data within a period of 15 days may be fined up to 10,000 Reference Fiscal Units (Ufir). The bill gives CADE more power to define what is an abusive price increase. This will allow the council to file several lawsuits that currently could not be filed.

Senate Approves Law

PY0906235994 Brasilia Voz do Brasil Network in Portuguese 2200 GMT 9 Jun 94

[Report by Luiz Augusto Mendonca from Planalto Palace]

[Text] President Itamar Franco may sign tonight the antitrust law, which was passed this afternoon by the Senate.

Shortly after the approval of the law, Senate President Humberto Lucena and Deputy Fabio Feldmann—who was the rapporteur of the bill in the Chamber of Deputies—came to Planalto Palace to meet with President Itamar Franco and with the justice and finance ministers. The meeting has not yet concluded.

Because the new law establishes that directors and members of the board of the Administrative Council for Economic Defense (CADE) must be appointed by the president of the Republic and confirmed by a majority vote of the national Congress, President Franco may issue tonight a provisional measure confirming incumbent CADE officials so that they may start implementing the new law tomorrow.

In case of price abuses, the law provides for fines of up to 30 percent of the gross annual sales of large enterprises and preventive imprisonment for their directors and owners. A large enterprise is a group that controls 30 percent of the market.

Law Called 'Draconian to Entrepreneurs'

PY0906170794 Sao Paulo AGENCIA ESTADO in Portuguese 2206 GMT 8 Jun 94

[Report by "Jn Galazi" and "Carlos Nobre"]

[Text] Rio de Janeiro, 8 Jun (AE)—Acting National Confederation of Industries (CNI) President Mario Amato said today that the antitrust law "is draconian to entrepreneurs," who feel insecure and fearful of possible punishment. According to Amato, the law will not benefit enterprises, the government, or consumers. As an example, he said the president of a state-run utility company will not be jailed if the company issues an incorrect bill. Private enterprises, however, will be subject to this type of penalty. Despite his position against the antitrust law, Amato voiced support for the Real Plan because it is being implemented gradually.

Amato lectured today at a seminar entitled "The Solution Is To Create Jobs," sponsored by the Brazilian Service for Promotion of Small and Micro Enterprises (Sebrae), in Rio de Janeiro, during which he said everyone should try to promote the domestic market. In this regard, he proposed an agenda for the creation of jobs involving five topics to be discussed by the whole society: elimination of restrictions on incoming foreign capital, reduction of social contributions, promotion of exports, tax reform, and promotion of small and micro enterprises, which are the main source of jobs on the Brazilian market.

Sole Workers Center (CUT) President Vicente Paulo da Silva, aka Vicentinho, endorsed Amato's words, adding his own suggestions: reduction of the work week to 40 hours, land reform, and incentives for the creation of small enterprises. Former Mines and Energy Minister Pratini de Moraes demanded the elimination of taxes on exports, noting that this can help create 300,000 jobs. Among such taxes, he mentioned the IPMF [Provisional Tax on Financial Operations], Confins [Social Security contributions], ICM [Goods Movement Tax], and IPI [Tax on Manufactured Products]. With tax exemptions, Brazilian exports will grow by $6 billion, he said, thus increasing the positive balance of trade, which last year registered exports worth $38 billion and imports worth $23 billion.

Taxes paid by export industry entrepreneurs amount to $8 billion annually, and they feel insecure without a clear policy for the industry. Brazil, Burkina Faso, and Bangladesh are the only three countries that tax their exports, Moraes said. He added that exports account for only 7 percent of Brazilian industrial production, and Brazilian commerce accounts for only 0.65 percent of world trade.

Admiral Advocates Punishment for Speculators

PY0806153394 Sao Paulo AGENCIA ESTADO in Portuguese 2049 GMT 7 Jun 94

[Report by Tania Monteiro]

[Text] Brasilia, 7 Jun (AE)—Admiral Arnaldo Leite, chief of the Armed Forces General Staff (EMFA), today branded "greedy" the bankers and entrepreneurs who are speculating on prices. Like President Itamar Franco and Navy Minister Admiral Ivan Serpa, Leite advocated punishment for the "greedy" who are attempting to harm the economic plan. Minister Serpa believes it is also necessary to restructure the administration of justice in Brazil in order to make it more expedient.

The two ministers made their statements today after a ceremony at the Navy Ministry marking the 500th anniversary of the Treaty of Todersilhas' signing. Franco promised to issue a provisional measure punishing oligopolies if Congress has not approved a bill by 8 June punishing cartels, sponsored by PSDB [Brazilian Social Democracy Party] Sao Paulo Deputy Fabio Feldmann.

"In a democracy, it is not enough to just be willing to punish. There must be laws, and in the case of Brazil, the laws must be quickly enforced after a crime has been committed," Serpa said. He wondered: "Is it right to delay trying someone who has committed a crime until the statute of limitation makes the law unenforceable?" Asked about the type of crime he was referring to, Serpa replied: "I am referring to all crimes because to me thieves, even if they steal a chicken, are all the same, despite the fact that here in Brazil there are some differences in this regard."

Minister Serpa added that he is concerned about oligopolies in Brazil. He said entrepreneurs must be careful because if they increase their prices they may be mortgaging their own future, because with high prices the number of clients drops dramatically. He believes that "profits, as such, are not a crime but a sin." "Profits become a crime when entrepreneurs violate the law," the minister noted, adding that those who break the law must go to jail. "Criminals should go to jail," he stated, adding that "unfortunately, few people go to jail in Brazil."

About the military salary problem, Leite said military salaries did not deteriorate after implementation of the URV [Real Value Unit], but food prices are undergoing "tremendous" growth. Leite blamed the exaggerated price increases on entrepreneurs' greed.

Cardoso Claims 'Copyright' for Economic Plan

PY1006012894 Sao Paulo AGENCIA ESTADO in Portuguese 2122 GMT 8 Jun 94

[By Marta Salomon]

[Text] Brasilia, 8 Jun (AE)—Fernando Henrique Cardoso, presidential candidate of the PSDB-PFL-PTB [Brazilian Social Democracy Party-Liberal Front Party-Brazilian Labor Party] coalition, today contended that he has a copyright for the economic plan, and that he does not intend to separate his presidential campaign from the new currency, the real. Upon being informed that he will be served notice by the Superior Electoral Court (TSE) about his using the economic plan in his electoral campaign, Cardoso angrily said: "They have no right to take that away from me." TSE Judge Flaqquer Scartezzini sent the notice to Cardoso's apartment. Cardoso will have to answer the charge in five days.

Before even reading the notice, Cardoso said: "They are exaggerating." Showing disbelief about the TSE proceeding on the basis of a charge made by Deputy Carlos Lupi (Democratic Labor Party-Rio de Janeiro), he said: "The court is not going to do that." Lupi is asking the TSE to declare Cardoso ineligible on grounds of abusing his authority and using the economic plan for electoral purposes. Lupi contends that Cardoso set the timetable for the economic plan to suit his electoral interests.

Cardoso said: "I feel hurt." He charged that "they should instead be chasing the thieves operating in areas where the justice system is faltering." He added: "This is hard to believe. A Stalinist regime is going to be reinstated here."

As of this afternoon the campaign command of the PSDB-PFL-PTB coalition has not yet received an official notice. This court action threatens to undermine Cardoso's main campaign strategy. His allies are indeed seeking to strengthen his links with the economic plan and with declining inflation rates. "I am the father of the idea. They cannot say that Fernando Henrique Cardoso has nothing to do with the real," he said.

PSDB President Pimenta da Veiga contends that "one cannot overlook the biography of the author of the plan." He added: "An absurd attempt is being made to separate Cardoso from his plan, to which he is closely linked." PFL leader Luiz Eduardo Magalhaes (Bahia State), who is a member of the campaign political command, said: "Cardoso is the author of the plan, and can claim his copyright."

In the opinion of Cardoso's allies, the first concrete results of the fight against inflation will in early August cause the PSDB candidate to leap forward in the opinion polls. Cardoso's political command does not concede the charge that the date for implementing the new currency was moved up to suit Cardoso's electoral interests. Cardoso has not denied, however, that he has kept in

close touch with the economic team and with President Itamar Franco, who openly works for his presidential candidacy.

Details of PT Land Reform Program Released

PY0906202194 Sao Paulo AGENCIA ESTADO in Portuguese 2232 GMT 8 Jun 94

[Report by Chico Otavio]

[Text] Cachoeiro de Itapemirim, 8 Jun (AE)—The National Agrarian Secretaria' of the PT [Workers Party] has stated that the land reform policy it intends to implement in Brazil, if it wins the elections, will involve 17.5 million hectares. The plan is included in the program of PT presidential candidate Luiz Inacio Lula da Silva. Jose Graziano da Silva, the program coordinator, said expropriation will be the main instrument for land redistribution.

Graziano is accompanying Lula on a three-day visit to Espirito Santo. He released a pamphlet to owners of small farms outlining some points of the PT-designed "Program for Brazilian Agriculture." A new feature mentioned in the pamphlet is the possibility for farmers to use land as a way to repay their defaulted loans with federal banks.

Graziano said one of the program priorities is the settlement of 800,000 families over a four-year period. The PT intends to settle some 250,000 families in a semi-arid zone in the northeastern region—the so-called Drought Polygon. The objective is to give an average of four hectares to each family, which would provide work for at least two people per family. This project will require about 1 million hectares.

Under the project another 550,000 landless families from all over Brazil will be given between 20 and 30 hectares each, depending on the region. The federal government will need approximately 16.5 million hectares to implement this plan. Graziano said preference will be given to squatters camping along highways, squatters occupying indigenous land, and squatters in areas under dispute.

Expropriation will affect mainly unproductive properties above 500 hectares—an area that is enough to house 20 families. The use of land to repay the defaulted loans of farmers is also considered a land reform instrument.

'Elite' Land Ownership Contributes to Poverty

PY0906001794 Sao Paulo AGENCIA ESTADO in Portuguese 2010 GMT 7 Jun 94

[Text] Rio de Janeiro, 7 June (AE)—Less than 1 percent of the farms throughout the country are larger than 1,000 hectares, yet they occupy 43.73 percent of Brazilian rural territory. Paradoxically, farms of 10 hectares represent 52.83 percent of the establishments, yet occupy only 2.66 percent of rural territory. This concentration of land in the hands of an elite of farmers is causing the expulsion of peasants and increasing the population in urban areas. Consequently, 21 percent of the Brazilian population, or 32 million people, are destitute. This phenomenon is causing another unsolvable problem: conflicts between the landless and farmers. In 1993 alone there were more than 900 conflicts over the possession of land in the Amazon region. This information is contained in research conducted by geographer Dora Hess of the Brazilian Geography and Statistics Institute (IBGE), which was published in Rio de Janeiro today during National Environment Week.

According to Hess, the 32 million destitute result from the excessive concentration of income (10 percent of the poor receive only 0.8 percent of the income, while 10 percent of the rich receive 48 percent); 12 million workers (20 percent of the economically active population) barely earn one minimum salary; and the purchasing power of the poor and middle class salaries has deteriorated. Hess asserts that "for the past 15 years Brazil has been living in recession because the employment levels have remained unchanged, the consumption power has dropped, and investments have been made in highly qualified jobs such as industrial automation."

In the survey, which will be published in France, Hess quotes economist Paulo Schilling to refer to the generalized impoverishment of workers. In 1960, according to Schilling, a family basket cost 26 percent of the minimum salary. In 1992 it cost 78 percent of the minimum salary. Early this year, the minimum salary did not cover the cost of the family basket. Another consequence of this prolonged recession is the increasing number of children between the ages of 10 and 13 on the job market. Hess states that "almost 14.15 percent of children at this age already work, and this percentage increases to 58.89 percent in the rural regions."

There are 3.8 million Brazilians living in shantytowns in nine metropolitan regions, according to another survey conducted by IBGE geographer Helena Balaciano. The Recife metropolitan region occupies first place with 678,586 (24.6 percent), followed by Belem (19.2 percent), Fortaleza (15.6 percent), Rio de Janeiro (12 percent), Belo Horizonte (10.9 percent), Sao Paulo (7.5 percent), Curitiba (5.9 percent), Porto Alegre (5.3 percent), and Salvador (4.1 percent). According to Helena Balaciano, the suburbs of the large and medium-sized cities currently have to deal with the shantytown phenomenon because Sao Paulo and Rio de Janeiro are no longer attractive to migrants. Another phenomenon is that the largest number of people living in shantytowns are concentrated in the suburbs of municipal districts rather than in the capitals themselves, such as in Betim (15 percent, ouutside Minas Gerais), and Diadema (20 percent, outside Sao Paulo). Moreover, Curitiba district, with 6.9 percent of the population living in shantytowns due to the expulsion of landless people from the rural region, holds the record for all metropolitan region suburbs.

SAE Admits Existence of Report on Peasants

PY0806181794 Sao Paulo AGENCIA ESTADO in Portuguese 2251 GMT 7 Jun 94

[Text] Brasilia, 7 Jun (AE)—Admiral Mario Flores, Strategic Affairs Secretariat (SAE) minister-chief, today confirmed the existence of the report disseminated by O ESTADO DE SAO PAULO on activities by the Landless People's Movement (MST). The confirmation was made during a nearly two-hour meeting with Senator Eduardo Suplicy (PT-SP) [Workers Party—Sao Paulo], PT deputies and representatives, and MST leaders. The admiral showed the report but did not permit anyone present to touch it. He read parts of it to confirm his guarantees that the content did not have any ideological or electoral biases.

The minister stressed that the government has been internally hurt by the leak of the report. Another top-level government official said there has been a decision to find the person who leaked the document. According to PT attorney Luiz Eduardo Greenhalgh, who also participated in the meeting, Flores emphasized that the SAE is not interested in meddling in electoral problems because it is a consultation body for the president of the Republic.

Flores denied that the movement has been given the dimension of a guerrilla movement and attributed the section of the document claiming there was a paramilitary training camp in Ranch Ipojuca, in Pernambuco, to obsolete evidence. He also made clear that the references made about the ranch were based on "reports" (unconfirmed facts) of something that occurred in the past. The minister characterized the press' dissemination of the report as "inflationary paranoia."

Minister Flores told Landless Movement representatives that the SAE had the legal obligation to write reports on social movements such as the MST for the president. The document's dissemination forced Flores to explain the matter to the president the day after the document's first part appeared in the press.

Gilmar Gerardo Mauro, one of the MST leaders, said that during the meeting Flores explained that the document only contained an explanation of the organization and its area of influence. Gilmar Mauro said at the meeting's end that he was convinced the MST "has nothing to do" with what it was attributed to them in the document. For him, the dissemination of that type of information "only increases tensions in rural areas." The MST leader also said he invited Minister Flores to visit Cacador University, which, according to him, is a training center where all types of courses and currents, including pastoral politics, are taught.

Profits of Ammunition, Oil, Gas Industries Viewed

PY0906144894 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 8 Jun 94 p B6

[Article by Carlos Franco]

[Excerpts] The weapons and ammunition industry increased significantly last year, recovering its $1.5 million loss in 1992, attaining a net profit of $8.4 million in 1993. Sales, especially those of the Brazilian Cartridge Company [Companhia Brasileira de Cartuchos] (CBC) jumped from $98.8 million in 1992 to $143.2 million in 1993, that is, a 44.9 percent increase. [passage omitted]

The oil and gas industries, which include Petrobras [Brazilian Petroleum Corporation] distributors, closed 1993 with net sales of $22.6 billion and net profits of $858.9 million. Profits obtained in 1993 were 194 percent up on the $292.4 million profit obtained in 1992.

Catholic Church To Operate Satellite Radio Network

PY0706202994 Sao Paulo FOLHA DE SAO PAULO in Portuguese 6 Jun 94 Section 1 p 11

[Article by Joao Baptista Natali]

[Excerpts] The 170 or so radio stations linked to the Catholic Church will, next January, begin joint transmissions of part of their programs.

They will transmit through the Igreja-Sat distribution system operated by Brasil-Sat (Brazilian Satellite Telecommunications).

The system will use the satellite channel that was utilized by Radio Aparecida, from Apareida do Norte (Sao Paulo).

The decision to install a Catholic radio broadcasting network was quietly made in April, during a general assembly of CNBB (National Conference of Brazilian Bishops).

On 23 April, bishops and advisers of the Igreja-Sat Executive Group decided to create a foundation to manage the radio system [passage omitted]

Father Cesar Moreira was designated president of the Igreja-Sat system. He also heads Unda (wave, in Latin), a church organization linked with electronic media. [passage omitted]

Chile

Foreign Minister on Mercosur, Bolivian Issue

PY0906235794 Santiago Television Nacional de Chile Imagen Internacional in Spanish 1800 GMT 9 Jun 94

[Text] Chilean Foreign Minister Carlos Figueroa returned to Santiago this afternoon from an important visit to Buenos Aires, where he discussed significant economic issues. The following is a report from the international airport in Pudahuel by Arturo Harlem:

[Begin recording] [Harlem] Good afternoon. Chilean Foreign Minister Figueroa stated that Chile has not set any deadlines for joining Mercosur [Common Market of the South]. He added, however, that Chile is very interested in achieving an agreement in this regard.

Upon his arrival from Brazil and Argentina, Foreign Minister Carlos Figueroa stressed that Chile's entrance to Mercosur will have a great impact at the regional level:

[Figueroa] As the foreign ministers have already stated, our entrance in Mercosur will have a great political and economic impact. If the negotiations are successful, it will result in important commercial benefits in the short term for all those countries encompassed in this agreement.

[Harlem] Figueroa also stated that the Chilean proposal had been warmly accepted by Mercosur countries. According to this proposal, Chile will be a Mercosur partner, and not a full member, because Chilean customs tariffs are substantially lower than those enforced in Mercosur countries.

Commenting on other issues, Foreign Minister Figueroa reasserted that the Chilean Government has no plans to discuss the landlocked issue with Bolivia. [end recording]

Chamber of Deputies Protest Army Criticisms

PY0906161194 Santiago Television Nacional de Chile Imagen Internacional in Spanish 1100 GMT 9 Jun 94

[Excerpt] Chamber of Deputies President Jorge Schaulsohn stated that the Army should order an internal investigation to determine who is responsible for the institution deliberating on comments by Deputy Jaime Naranjo. Naranjo had stated that the Army commander in chief [General Augusto Pinochet] should resign.

A few days ago Socialist Deputy Jaime Naranjo stated that the protests over the Army commander's trip to Europe prove that, quote, his crimes have not been forgotten, unquote. Naranjo added that Gen. Pinochet must resign.

Press reports stated that the Army was annoyed by Naranjo's comments, which it regards as seditious. When asked about the issue, Army spokesmen said the institution is annoyed by the deputy's comments because it believes he used inappropriate language against Gen. Pinochet. The Army added that all this prompted Army Deputy Commander General Jorge Lucar to call a meeting of Army generals to assess Naranjo's comments as well as the media coverage of Gen. Pinochet's tour.

The Chamber of Deputies president, in turn, said it will not tolerate any interference in the legislators' activities and announced that he will submit a request to the defense minister to clarify the case.

[Begin Schaulsohn recording] I believe it is completely unacceptable that Armed Forces members deliberate and voice their opinion on legislators' performance. If the aforementioned meeting really took place and the comments really were made, they are openly violating the Constitution that establishes that our Armed Forces should not be involved in politics and expressly prohibits them from deliberating. The Army should order an investigation within the force to determine who was responsible for this political deliberation. [end recording]

The subject also was discussed by the Socialist and National Renewal Parties' presidents and by Deputy Naranjo himself.

[Begin recording] [Naranjo] I do not think this problem only involves Deputy Naranjo because the Chamber of Deputies on 8 June, with the support of the National Renewal Party [RN], deemed it necessary to check Gen. Pinochet's trip.

[Socialist Party President Camilo Escalona recording] To be quite frank, the Socialist Party is not responsible for Gen. Pinochet acting like a teenager in Europe.

[RN President Andres Allamand recording] We are in favor of complete honesty. Therefore, likewise we fully support clarifying what happened in Codelco [Copper Corporation]; we also are all for the Chamber of Deputies receiving all the information regarding this trip abroad that, moreover, was authorized by the government. We always have upheld honesty. But disclosing information on this trip has nothing to do with the hideous and usually rude language with which Deputy Naranjo refers to the Army commander. [end recording]

Gen. Pinochet has been in Switzerland for the past three days. His presence in Lucerne has prompted protest in political circles. Swiss Foreign Minister Flavio Cotti stated that there is deep unrest in his country due to the Chilean military officer's visit.

It was leaked that Gen. Pinochet also might travel to England or Brazil, and that he is scheduled to return to Chile after 20 June.

Court Decides to Postpone Ruling on Stange Case

PY0906235894 Madrid EFE in Spanish 2147 GMT 8 Jun 94

[Excerpt] Santiago, 8 June (EFE)—After hearing the allegations of the parties involved, the Chilean Military Court today decided to postpone its ruling on whether to indict Carabineros Director General Rodolfo Stange on charges of nonfulfillment of military duties.

The charges are based on a ruling issued by Judge Milton Juica. Juica established that Stange and five other Carabineros officers failed to help clear up the slaying of three Communist leaders in 1985, better known as the decapitations case.

On 31 March Judge Juica sentenced three former Carabineros members to life imprisonment for the triple killing. He also sentenced to up to 18 years in prison 12 other former Carabineros members and one civilian. All of them were members of the now defunct Carabineros Intelligence Directorate (Dicomcar), a kind of secret police. [passage omitted]

Colombia

Gaviria on Earthquake Relief Operations

PA0906125794 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 1650 GMT 8 Jun 94

[News conference by President Cesar Gaviria with unidentified moderator and unidentified reporters in Neiva; broadcast in progress—live]

[Text] [Gaviria] ...all of the region's infrastructure was completely destroyed and many, many people are homeless. They have received some attention, but I am still worried about them. We are obliged to provide them with much better attention. I am going to work on that. The minister will remain at the site and I will return tomorrow to make sure we provide whatever support is needed for these people to receive better attention, so they can get more timely attention from the Colombian Government. We need to reinforce the logistics for each task. To this end, the generals of the Armed Forces and the ministers who came here with me, will stay on top of the situation to ensure that those displaced get more timely assistance in these coming days.

[Reporter] Mr. President, you made a direct commitment to aid the people here with housing, roads, and so on. Have you spoken with them?

[Gaviria] No. These people feel very bad, they are so very distressed about the general situation and because of the panic they experience from the continuing tremors, that no one wants to talk about rebuilding yet. This morning we spoke briefly about rebuilding roads and bridges. The acting manager and the person in charge of housing subsidies at the Agricultural Bank are here, the manager of the Presidency Social Emergency Fund and all the officials who have some responsibility concerning these events are also here. The governors have assessed the general situation, and we will be able to begin reconstruction work in a few days. Today and during the coming days our assistance must focus on making sure they all have shelter, food, medical attention, and some sort of social support. That is the priority task now.

[Monitor] A question from "QAP Newcast."

[QAP reporter] Mr. President, this morning you spoke about the need for international aid. After having assessed the situation, what would you ask the international community to provide?

[Gaviria] Basically what I asked for this morning. More than aid for this specific moment to assist the homeless, for food, or to give these families some warmth, we will need support in rebuilding the region, because the great majority of homes in the region were destroyed or severely damaged; not one single bridge is standing along any of the roads here, which leaves the region completely isolated; and the cost of rebuilding this region will be very high, very high [repeats himself]. Some places, where there used to be several corregimientos or towns, were buried by the landslides. There we must relocate the people. There are other places where the people will not want to go back because of the extensive landslides. The people in Belalcaza closed the town and fled to the nearby hills and now refuse to return. Many of them will probably not want to live there any more. The same happened in Irlanda, where the people abandoned the few homes and community areas left undamaged and probably will not want to go back.

[Moderator] Juan Carlos Matheus from Radio Caracol.

[Matheus] Are there any plans to create a fund to aid the people with education, housing, and health care, to prevent the government's effort from being lost?

[Gaviria] We are going to give all the victims subsidies. We will be offering housing subsidies to help all those who no longer have homes. However, that is not the priority job today. We cannot distract the people with that, because they are still in shock. They are still rescuing their injured, and we have hardly begun to set up tent sites and provide medical attention. We will not be able to talk to them about reconstruction efforts for a few days yet. We cannot even begin to talk about relocation. Many of these people will not want their homes to be in the same place they were before, because of the high risk.

[Moderator] Juan Pablo Diaz with the last question.

[Diaz] Mr. President. It is logical to say that reconstruction work on all these roads and towns will not be complete before you leave office in two months. How can you commit the incoming government to complete this task?

[Gaviria] I trust we will be able to establish a construction plan and leave with it already under way, using the funds from the government, the budget, housing subsidies, Social Emergency Funds, and the aid we are sure to receive from abroad. Obviously the incoming government will still have a responsibility to complete this effort and we are all sure they will.

Roundup of Electoral Developments

PA0906215494

[Editorial report] The following is a compilation of reports on developments related to the Colombian presidential runoff election scheduled for 19 June.

Andres Pastrana has issued a message to farmers during Agriculture Day along with the four-point program he plans to implement. The program includes the identification of priorities in the agriculture sector, emergency policies to deal with the top problems, and "the giving of resources and delegation of concrete responsibilities so that the rural area can once again have owners." (Santa Fe de Bogota EL TIEMPO in Spanish 6 Jun 94 p 6a)

During his first tour after the 28 May elections, Liberal Party presidential candidate Ernesto Samper has visited the coastal area and proposed new measures to mitigate

the economic situation in the border and rural areas. He has said his proposal for the border area included "the extension of the value-added tax, tax exemptions for new industries, and the renegotiation of commercial debts." Pastrana has also reported several liberal leaders in Santa Fe de Bogota, Cauca, Tolima, and Narino have offered him their support. (Santa Fe de Bogota Inravision Television Canal A Network in Spanish 1800 GMT 4 Jun 94)

Samper met with coffee producers in Manizales recently. In his speech, he called on the government to make another readjustment in the price of the 125-kg sack of coffee and set it at 150,000 pesos. He said he was not satisfied with the recent readjustment, "because the international price is currently between $1.50 to $1.60 per pound, and the coffee producer is getting approximately 82 cents; that is, half the price of a pound of coffee." In Caldas, Samper talked about the peace talks, saying "I will clearly establish the negotiations agenda. I promise I will respect human rights during my administration, will not allow paramilitary activities, and will also ask the guerrillas to comply with the commitments to respect human rights." (Santa Fe de Bogota EL TIEMPO in Spanish 6 Jun 94 p 6a)

Led by Antonio Navarro Wolff, the 19 April Movement Democratic Alliance assembly has decided not to back the conservative or liberal parties in the upcoming runoff elections. Ernesto Samper is seeking votes everywhere and has even accepted the support of extreme rightist General Oscar Maza Marquez. Andres Pastrana is also preparing for the runoff and plans to continue his strategy to strengthen his base of support. Both candidates are trying to obtain the votes of the large number of people who did not vote in the recent election. The national registrar has reported 7 million of 24 million eligible voters are not on the electoral listings and, thus, will be ineligible to vote. He added a new census of the population is necessary to enable all eligible citizens to vote. (Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 0130 GMT 5 Jun 94)

Ecuador

Search for U.S. Oil Company Workers Continues

PA0906171594 Mexico City NOTIMEX in Spanish 1531 GMT 9 Jun 94

[Text] Quito, 9 Jun (NOTIMEX)—Joint police and Army operations to locate two U.S. oil technicians who were abducted in Ecuador's Amazon region have yielded no results yet, it was reported here. Intense land and air searches were conducted over a broad area of eastern Sucumbios Province, along the border with Colombia.

U.S. Ambassador Peter Romero confirmed on Tuesday the disappearance of his countrymen Eldon Lee Horton and Clyde Nolan Killgore. The U.S. citizens, employees of the Intairdrill drilling company, had been missing since last weekend when they were seen in the oil town of Shushufindi.

Press reports in Quito indicated that as a result of the investigations conducted in Sucumbios in the past few hours the police had arrested several suspects, apparently Colombians and Ecuadoreans.

According to sources close to the police, the oil technicians were presumably taken by their captors to the Colombian side of the border, which would further hamper the rescue. Commander Ruben Barahona told newsmen that different organized crime groups operate in this conflict-ridden area of Ecuador's Amazon region. Barahona added that in that area drug traffickers, among their other activities, are responsible for the transfer of precursor chemicals that are used in Colombia to process the drug. "Criminal and drug activities have made the place very dangerous," the official indicated.

Despite intense operations by the Armed Forces and the police, whose collaboration was requested by the diplomatic mission, authorities conceded today that they do not have any concrete leads to find the missing persons.

At least five U.S. citizens, including two technicians of U.S. oil companies in Sucumbios, were kidnapped in past years. In most cases, the kidnappees were rescued, but no specifics exist on the conditions or the ransom agreed upon for their release.

Administration Secretary General Carlos Larreategui denied that the recent wave of kidnappings registered in various locations of the country is related to a subversive group. Larreategui blamed the kidnappings on common crime and stressed that the only armed group known in Ecuador, referring to the "Red Sun," announced its demobilization and turned its weapons in to military authorities.

However, presumed "Red Sun" militants who broke away from those who negotiated the peace have told the media from hiding that they will continue their activities and the armed struggle.

Court Confirms Money 'Laundering' by Armed Forces Bank

PA0906185694 Madrid EFE in Spanish 1708 GMT 9 Jun 94

[Text] Quito, 9 Jun (EFE)—It was reported today that the Quito criminal court has established that the Ecuadoran Armed Forces Bank had participated in the "laundering" of money coming from drug trafficking activities and confirmed the arrest of the bank's main officials.

The Quito Superior Court did not reveal the amount of money "laundered." It issued its conclusion prior to announcing the guilty verdict by two of its three members. Judge Janeth Calderon did not assign any responsibilities in this case.

The Ruminahui Bank manages the Ecuadoran Army, Navy, and Air Force resources. The verdict confirmed the arrest of Jose Racines, the former general manager of the military bank, and five other bank employees who

were arrested in 1992 after the so-called "Magi Kings" group was dismantled. This is the only organization that, according to the police, has the characteristics of a drug cartel in Ecuador.

Racines and his subordinates, all of them civilians, were discharged from their posts by the military command after the Bank Superintendency [Superintendencia de Bancos] investigated the operations of the Ruminahui Bank, now in the process of being privatized.

Its new manager, General Gustavo Herrera, declared recently that bank operations had returned to their former standards. He added that up to last month, at least 10 Ecuadoran and foreign banking institutions had expressed interest in purchasing 30 percent of the bank's stock. In the coming days, the Ruminahui Bank will decide on the best offer. It will favor the financial group which guarantees a sound consortium that will provide the technology and capital "to compete with other private institutions in the country and abroad," Herrera said.

Defense Minister Gen. Jose Gallardo has asserted that he does not dismiss the possibility that the group selected will be foreign. However, he emphasized, this "has to be studied in detail due to the origin of the banking organization."

Eighty-one percent of the bank's shares—whose reserves amounted to $3.6 million through June 1993—belong to the Armed Forces and 19 percent to the remaining 2,500 minority shareholders.

Paraguay

Wasmosy: Government To Address Rural Problems

PY0906170994 Asuncion ULTIMA HORA in Spanish 8 Jun 94 p 24

[Excerpts] During a regular session of the Social Development Coordinating Council (CCDS) on 7 June, President Juan Carlos Wasmosy stated that the government already is attending to practically all social problems in rural settlements in San Pedro and Canindeyu Departments.

Accompanied by regional and church authorities, the head of state visited several rural settlements in northern Paraguay on 5 June for first-hand knowledge of the most pressing problems confronting the region's farmers.

It was precisely there that several peasants organizations staged protest rallies and blocked highways to demand better prices for their produce, greater financial and technical assistance from the government, and the implementation of education and health care programs.

The president said military personnel and Agrarian Reform Institute officials surveyed several plots of land in rural areas of several colonies located in that region. This will contribute to expediting steps to grant property deeds to farmers, an essential requirement to ask for agricultural credits. [passage omitted]

During the CCDS session, Interior Minister Carlos Podesta said the government already has granted some 2,000 property deeds in several colonies so far.

He added that a national survey on rural needs conducted by the departmental councils of each governorship in the country's 17 departments and 214 districts will be submitted at the next CCDS meeting. This survey will serve as input for the Inter-American Development Bank (IDB) to put together a project devised by Wasmosy—the Paraguayan Program on Social Investment—that seeks to obtain a $100 million loan for rural development projects.

Wasmosy Signs Freedom of Press Declaration

PY0906235394 Asuncion ULTIMA HORA in Spanish 9 Jun 94 p 3

[Text] After signing the Chapultepec Declaration this morning in Government House, and despite the fact that he does not agree with "the unfounded campaigns directed at personal reputations," President Juan Carlos Wasmosy stated that his administration is committed to the unrestricted free development of the press.

In the Independence Hall of Government House the chief of state stressed that the signing of the document was another way of following up on his democratic convictions, as well as on his pledge to the Paraguayan people that he would comply with the Constitution and see to it that it was complied with.

"Before signing this document, I have with satisfaction verified that its contents perfectly reflect the reality of my country regarding freedom of expression," the chief of state emphasized.

Wasmosy recalled a saying of former U.S. President Thomas Jefferson, who said that if he had to choose between a government and a free press, he would not hesitate to opt for the latter at the expense of the former.

"He stressed this at a time when as president of the United States he was the favorite target of a series of cruel pamphlets. The names of those yellow publications have already been forgotten, while the figure of Jefferson continues to grow in the esteem of his people," the chief of state said, alluding to his current situation with respect to a certain sector of the media.

"I cannot find a better maxim than this one to describe my feelings regarding the media," he said.

Wasmosy expressed his disagreement with what he termed "personal slander campaigns," although he did not mention specifics. He did, however, allege "that at no time can there be any doubt about the commitment" of his administration "to maintain and encourage unrestricted freedom."

General's 'Interference' in Politics Viewed

PY0906191294 Asuncion ULTIMA HORA in Spanish 8 Jun 94 p 15

[Article by Reinaldo Montefilpo Carvallo: "The Political Romance With General Oviedo"]

[Text] The sarcastic [Ramon] Menendez Pidal [1869-1968, Spanish humanist] once told a hostile journalist who stinted on praise of the former's philological achievements: "A willful lack of memory coupled with the personal interest in refusing to acknowledge the truth are largely responsible...." This "willful lack of memory" brings to mind President [Juan Carlos] Wasmosy's comments that General [Lino Cesar] Oviedo has nothing to do with the ANR [National Republic Association-Colorado Party]. He uttered these remarks in the wake of a pronouncement by ANR precincts about meddling by this military officer. After a matter of a few short weeks, the president—feigning total ignorance—has no idea what ties the wily old general has with his own party. It is a cardinal error to believe public opinion is blind and deaf.

Interference by Gen. Oviedo in partisan politics in support of one ANR faction is conspicuously evident. This is nothing new. He has participated in meetings for months—and while refraining from disclosing the true objectives of his medium- and long-term plan—he has intentionally encouraged his friends and followers. He takes pride in exhibiting his allegiance to the Colorado Party and his adamant intention of keeping it in power for ever. The Colorado Party members who are secretly in love with him still believe it is irrelevant to display democratic behavior or consolidate the electoral majority. They favor the one who has the power that weapons confer on him in order to assure their political preeminence and de facto command. From an elementary civic standpoint, the stance of many Colorado Party members—the most retardative ones—vindicates our fateful past in the style of [General Alfredo] Stroessner and a new takeover of the ANR by a military clique.

The opposition, which understandably fears the ambitious general, will try to investigate and punish—if need be—his meddling in politics. This may be a useless charge rather than an appropriate and sensible action. Beside being a somewhat dangerous adventure, confronting a general in our country is just an obdurate waste of breath.

While it is true that Oviedo is gaining popularity among many Colorado Party members, many believe it is illogical to continue a false alliance with him. Yet there are those who feel at ease under the protection of this ubiquitous military officer and encourage the romance in spite of all obstacles. After all, one cannot deny he is putting on a good show.

Venezuela

Foreign Minister Remarks on Haitian Refugees

PA0906133094 Caracas Union Radio Network in Spanish 1100 GMT 9 Jun 94

[From the "Union Radio News" newscast]

[Text] Foreign Minister Miguel Angel Burelli Rivas has categorically denied our country is volunteering to become a camp for Haitian refugees. The official explained the small group of Haitians who qualify as political refugees will stay temporarily in the country. In addition, he described as exaggerated the remarks by members of the opposition who said the country is experiencing a crisis situation and already has a needy alien population. The foreign minister finds this is an exaggeration, oh well. Burelli Rivas also said Venezuela will support UN agreements on the mission that will be operating in Haiti but explained the solution to the problems of that Caribbean nation depends not only on the restoration of democracy, but also on the cooperation of neighboring countries to improve the living conditions of Haitians, who otherwise will emigrate. In the opinion of Deputy Geman Monzon, chairman of the Foreign Policy Committee, our country lacks the necessary conditions to receive Haitian refugees.

Government To Take 'Forceful' Measures To Confront Strike

PA1006003594 Caracas Union Radio Network in Spanish 1100 GMT 9 Jun 94

[From the "Union Radio News" newscast]

[Text] The government will take forceful measures to confront the transportation strike that was declared by the Single Union of Independent Vehicles and that threatens to completely stop transportation services on 13 June. Vicente Briceno filed a report:

[Begin recording] [Briceno] Interior Minister Ramon Escovar Salom made this statement as he walked out of the Security Cabinet meeting, which was supposed to be held on 9 June but instead was held on 8 June due to actions by the transportation union and pressure reportedly exerted by the public in light of the ever-increasing crime rate.

The interior minister and Caracas Mayor Aristobulo Isturiz agreed that the dispute between two rival factions within the union because of different party affiliations is the reason for this strike.

Although Escovar said that military buses will be used for public transportation, he refused to say whether the concessions granted to drivers will be revoked. However, he hinted this possibility is being considered.

[Escovar] We cannot let a union decide the fate of a city of four million people. The government will not accept it. This move to declare a transportation strike lacks the

complete support of all workers. The government will respond with forceful measures nevertheless.

[Briceno] He also reported that the Security Cabinet analyzed the issue of burgeoning crime and delinquency rates. He added that among the solutions, he studied the possibility of sending smaller high-risk delinquents to separate rehabilitation centers, and the Juvenile Delinquents Law being applied to other delinquents, depending on the felonies they commit.

It is worth noting that in addition to the Caracas governor and the justice, foreign affairs, and defense ministers, who make up the Security Cabinet, attending the meeting, Family Minister Mercedes Pulido de Briceno was also present. [end recording]

Justice Minister on Administration, Other Matters

PA0906133794 Caracas EL GLOBO in Spanish 7 Jun 94 p 2

[Report by Paola Badaracco]

[Text] Justice Minister Ruben Creixems yesterday disagreed with the idea of civilian armed groups or death squads taking the administration of justice into their own hands. "The states must solve their security problems in accordance with the law, fully respecting human rights, and following legally established procedures," he said.

All of these situations are irregular, are even an offense classified by Venezuelan law as a crime, that of taking justice into one's own hands. One single person should not determine who is guilty or innocent, or apply the sentence that best suits him as judge. That would be terrible for society, he added.

Regarding the Catia Prison, he said the idea is to close it down but that it has been impossible because there is no available room in other prisons to transfer the inmates. The solution of this problem will take some time because new prisons have to be built. The Catia Prison cannot be repaired because of its dilapidated condition. In addition, it is not normal these days to have prisons in the center of cities. "Prisons must be on the outskirts. When Catia was built, it met this requirement but now it has been engulfed by the city." Nevertheless, he admitted that society is desperate for a degree of insecurity, although the crime rate has experienced a remarkable reduction.

Asked about the "Lights Against Criminals" organization, the minister said he does not know its members but is of the opinion that this is a civilian movement legally pressuring the government to find a solution to the insecurity problem while contributing commonsense ideas that should be taken into consideration.

Regarding the possibility of this being a rightist movement, he said it would be necessary to investigate but added that not everyone who declares himself against crime is a Fascist or a rightist. It will have to be looked into because I do not have sufficient information to express an opinion on the personal, philosophical, or ideological features of the members of this organization. I am under the impression that they are a group of worried persons who contribute ideas, sometimes extreme ideas. I do not think, however, that they are seeking violent solutions or taking justice into their own hands. If this is the case, it should be strongly rejected because we believe in a de jure state and an established administration of justice, he said.

As for the interior minister's proposal to reactivate Isla del Burro, Creixems recalled that, once the Executive Branch has decided to open a prison, his office must update and manage it. He explained that the money for carrying out Minister Escovar Salom's proposal are not included in the budget, but that if the proposal is accepted, the money could be secured. Anyway, he pointed out that it is up to the Urban Development Ministry to secure the money for any renovations.

Consulted over the resignation of some magistrates because of their low salaries, Creixems said the situation is dramatic and admitted that the public officials are underpaid. He regretted that competent and efficient magistrates resign because of low salaries and leave their posts to officials who are not overly concerned with salary. "I do not mean that those who do not resign are scoundrels. But we are in a situation in which high-level officials, with very great responsibilities, are pressured by the economic crisis and the scant money they earn, which prevents them from leading a decent life consistent with their profession," he said.

The minister said that a Security Council will meet next Thursday where everything related to the matter and the solutions proposed by the Executive Branch will be discussed. Once measures are decided on, they will be announced as political measures.

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